



General Assembly

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Liabilities and proposed funding for after-service health benefits

Twelfth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General in document A/60/450 on the issue of the United Nations liability related to after-service health insurance benefits. During its consideration of the Secretary-General's report, the Committee met with the Controller and other representatives of the Secretary-General, who provided additional information on the issue.

2. The Advisory Committee recalls that during its review of the proposed programme budget for the biennium 1998-1999 (A/52/7/Rev.1), it was aware of the urgent need to address the issue of the United Nations liability related to after-service health insurance benefits and recommended that the long-term implications



of its growth and the impact on the Organization be addressed by the Secretary-General on a system-wide basis; the recommendation was endorsed by the General Assembly in its resolution 52/220. The Board of Auditors, in its concise summary of principal findings, conclusions and recommendations (A/57/201), emphasized that it was urgent for all organizations to recognize end-of-service benefit liabilities and to disclose them in their financial statements. The General Assembly, in its resolution 58/249 A, requested the Secretary-General to report on the full extent of unfunded staff termination and post-service liabilities in the United Nations and its funds and programmes and to propose measures that would ensure progress towards fully funding such liabilities. **The Committee welcomes the Secretary-General's report; however, it regrets that the preparation of the report took more than seven years after the Committee made its initial recommendation on the issue, in 1997.**

3. The Secretary-General indicates that the value of the accrued after-service health insurance liability as at 31 December 2003 is estimated at a total of \$4,022.9 million for the United Nations and the organizations of the common system. Currently, most of the organizations in the United Nations common system account for after-service health benefits on a "pay-as-you-go" or cash basis. In many cases these expenditures are not necessarily identified separately within staff costs. In other cases the expenditures are specifically identified. A number of organizations have now decided, given the significance of the liability involved, to recognize a liability in the accounts for after-service health insurance benefits and, at the same time, identify sources from which the liability can be funded.

4. Liabilities related to after-service health benefits and other end-of-service entitlements are currently disclosed in the notes to the financial statements, the acceptable practice under the United Nations system accounting standards; other accounting standards promulgated by professional accounting standards boards, such as the International Financial Reporting Standards, prescribe full accrual accounting, requiring that liabilities associated with post-retirement benefits be recognized and reported on the balance sheet of financial statements and that the annual accrual of future benefits for active employees be expensed each year until employees become eligible for such benefits.

5. Paragraphs 6 to 9 of the report of the Secretary-General contain background information on after-service health insurance. The Committee observes that the United Nations health insurance programmes provide for premium-sharing between the United Nations and plan participants (active and retired), in accordance with General Assembly resolutions 1095 (XI) of 27 February 1957, 38/235 of 20 December 1983 and 41/209 of 11 December 1986. Resources for after-service health insurance subsidy for retirees enrolled in United Nations health insurance plans are appropriated under the Special expenses section of the programme budget. The amounts appropriated biennially do not include funding for the accrued liability for after-service health insurance benefits earned by employees during active service.

6. The Advisory Committee notes that at the United Nations, the average after-service health insurance enrolment increased from 2,672 retirees during the biennium 1984-1985 to 7,105 by the end of 2003 and that the organizational subsidy for retiree medical benefits increased from \$6.9 million to \$67.7 million during the same period. The difference between the two rates of growth is attributable

principally to the escalation of the costs of medical treatment and increases in the rates of utilization of medical services (see A/60/450, annex IV, para. 9).

7. The Secretary-General indicates that the present value as at 31 December 2003 of the accrued after-service health insurance liability of future benefits (net of retiree contributions) for the United Nations is estimated at \$1,484.9 million. While this estimate was taken by the Secretary-General as an important reference point for analysis and subsequent conclusions reflected in his report, the underlying methodology for arriving at the estimate has not been clearly explained. Moreover, the Advisory Committee observes that since the end of 2003 potential after-service health insurance liabilities have no doubt escalated. The Committee stresses that updated data should be made available to the General Assembly before any decision on the matter is taken.

8. The Advisory Committee requests that detailed information be provided to the Fifth Committee regarding how the provisions for current retirees (\$770 million) and active employees currently eligible to retire with after-service health insurance benefits (\$321.5 million) were derived. As regards the estimated provision of \$393.4 million for liabilities related to active employees who are not yet eligible to retire with after-service health insurance benefits, the Committee questions the inclusion of such a provision in the total estimate of \$1,484.9 million since the notion underlying the provision is not clear — some of the active employees will retire without ever acquiring eligibility for after-service health insurance benefits, while others may choose not to participate in after-service health insurance.

9. In view of the rising level of after-service health insurance liabilities, the Secretary-General indicates that a dedicated long-term funding strategy is required that would provide predictable yet flexible annual contribution levels which support the process of ensuring that adequate funds are put aside on a regular basis to meet the costs of current participants and future benefit liabilities. As a part of this strategy, funding sources must be identified to ensure that sufficient resources are available to meet all liabilities as they fall due in the future, while maintaining the Organization's annual funding at as constant a rate as possible. The funding strategy described in paragraph 16 of the report of the Secretary-General provides for one-time funding of \$350 million and annual long-term funding measures, as follows:

One-time funding (\$350 million)

Annual funding

(i) Transfer of \$250 million in unencumbered balances from fiscal year 2005 and savings on cancellation of prior-period obligations under peacekeeping operations

(ii) Transfer of \$25 million from the authorized retained surplus of the United Nations regular budget

(i) Continue with current funding arrangements for health-benefit costs relating to current retirees with amounts appropriated from the Special expenses section of the United Nations regular budget

(ii) Establish a charge equivalent to 4 per cent of salary costs on all budgets to be applied against the cost of salaries paid to staff

<i>One-time funding (\$350 million)</i>	<i>Annual funding</i>
(iii) Transfer of \$43 million of income from the medical and dental reserves, leaving reserve balances totalling about \$97.1 million to meet future and pending claims	(iii) Utilize unspent balance of final appropriations, if any, under the United Nations regular budget
(iv) Transfer of \$32 million from the Compensation Fund, leaving about \$31.5 million to meet future and pending claims	(iv) Utilize the excess of actual miscellaneous income over budget estimates, if any, under the United Nations regular budget
	(v) Utilize the savings in the liquidation of prior-periods obligations

10. The Advisory Committee was informed, upon enquiry, that the amount of \$250 million proposed for the transfer from accounts of peacekeeping operations represents approximately half of the total amount of unencumbered balances and savings for all active peacekeeping missions as at the close of the peacekeeping fiscal year on 30 June 2005. **Although it is acknowledged that peacekeeping budgets should fund their share of the costs of after-service health insurance, it is not clear to the Committee why active peacekeeping missions should fund an accrued liability attributable at least partially to peacekeeping operations that have closed (see also para. 15 below).** Moreover, the Secretariat was unable to explain how the proposed amount was arrived at.

11. With regard to the proposal to transfer \$25 million from the authorized retained surplus of the United Nations regular budget, the Advisory Committee was informed that the General Assembly, in various resolutions, had authorized the retention of \$214.7 million of surplus and also authorized write-offs and transfers of \$146.4 million, which reduced the retained surplus balance to \$68.3 million. The write-offs and transfers were authorized to liquidate debts for unpaid contributions, to establish the Peacekeeping Reserve Fund and to write off outstanding loans. **The Committee finds little rationale or justification for the figure of \$25 million; the Secretary-General should be requested to provide a justification for the calculation of the amount as well as to report on all options with regard to its utilization, including its return to Member States, as provided for by financial regulation 5.3.**

12. The Advisory Committee has no objection to the transfer of \$43 million of income from the medical and dental reserves provided that an assurance can be given to the General Assembly that it is not foreseen that this amount will be needed in the future to meet medical and dental costs. The Committee was informed, upon enquiry, that the cumulative balance of the medical and dental reserve currently stands at about \$140.1 million and consists of staff and organization contributions across all fund types, as well as investment income. The proposal with regard to the \$43 million reflects the transfer of the investment income earned on these special reserves in the last five bienniums (1996-2005). This period was chosen because it aligns with the initial recommendation of the

Committee to review the long-term implications of the growth of after-service health insurance liabilities.

13. The Advisory Committee has no objection to the transfer of \$32 million from the Compensation Fund, with a similar proviso to that expressed for the medical and dental reserves. In this connection, the Committee was informed, upon enquiry, that a special reserve account had been set up in 1985 to receive contributions at the rate of 1 per cent of extrabudgetary payroll and to provide for compensation payments under appendix D of the Staff Rules for staff financed by extrabudgetary funds; income from the investment of accumulated funds in this reserve was to meet part of the costs of the Organization's share of contributions to after-service health insurance. Beginning in July 2000, a similar reserve to provide for compensation payments was set up for staff of peacekeeping operations. The Committee was also informed that the cumulative balance of these reserves at present stands at about \$63.5 million. The \$32 million proposed for transfer consists of an estimated \$16 million in cumulative investment income plus an additional \$16 million of the cumulative surplus from contributions. The Committee was informed that subsequent to the issuance of the Secretary-General's report, \$7.5 million in cumulative interest was earmarked to be used to meet after-service health insurance extrabudgetary requirements for the 2004-2005 biennium.

14. The Advisory Committee points out that, should the General Assembly decide to establish a reserve that would accumulate after-service health insurance funds, the question of how to best manage and invest after-service health insurance funds would arise. The Committee was informed, upon enquiry, that after-service health insurance reserve funds would initially be invested in short-term securities and cash-flow requirements would be developed; discussions would also be initiated with the United Nations Joint Staff Pension Fund regarding the potential use of the investment management services of the Pension Fund for an after-service health insurance reserve. The Committee trusts that information on a detailed investment strategy will be provided to the General Assembly through the Advisory Committee, should the General Assembly authorize the establishment of after-service health insurance reserve funds.

15. With regard to the proposal to continue biennial appropriations to cover after-service health insurance subsidy payments in respect of current participants, the Advisory Committee was informed that a practical mechanism has not been available to determine the funding sources to which costs for current retirees were charged over their active careers with the Organization. The Secretariat estimates that 10 to 15 per cent of after-service health insurance costs relate to retirees whose salary costs were charged to extrabudgetary (including peacekeeping) accounts immediately prior to retirement, although the fund to which a staff member's final years of service is charged is not necessarily indicative of the fund or fund type to which the staff member's costs were charged over his or her overall period of United Nations service. This, in the view of the Secretariat, does not make the allocation of after-service health insurance costs for current retirees across differing funding sources practical. Therefore, the Secretary-General proposes to continue biennial appropriations to cover after-service health insurance subsidy payments in respect of current participants. The Committee has no objection to the Secretary-General's proposal.

16. In connection with the proposal to establish a charge equivalent to 4 per cent of salary costs on all budgets to be applied against the cost of salaries paid to staff, the Advisory Committee was informed that the application of a uniform percentage on salary costs across all budgets would result in the regular budget and extrabudgetary and peacekeeping funds beginning to fund future after-service health insurance costs in direct proportion to their active salary costs. As a result, the after-service health insurance reserve would receive funding from all funding sources to which costs for staff who will ultimately receive benefits have been charged. **While the Committee agrees in principle with the proposal to charge a certain percentage of salary costs as a means of building a fund for after-service health insurance payments, it is of the view that further and more detailed analysis should be undertaken before it can recommend a specific percentage. The Committee is also of the view that special attention should be paid to such issues as the relationship between an additional charge on salary costs and programme support costs applied to extrabudgetary activities.**

17. With regard to the proposals on the utilization of savings under the regular budget, the Advisory Committee points out that planning in advance to systematically use savings as part of a funding mechanism for after-service health insurance does not appear to be in line with the best management practices, as it is not transparent and may encourage deliberate overbudgeting in order to realize savings.

18. Moreover, it should be borne in mind that pursuant to General Assembly resolution 56/237, savings achieved as a result of efficiency gains are supposed to be directed to the Development Account.

19. The Advisory Committee observes from paragraph 19 of the report of the Secretary-General that he proposes revisions to the after-service health insurance programme aimed at reducing future costs of after-service health benefits. **The Committee recommends approval of the proposals contained in paragraph 19 of the report of the Secretary-General.**

20. In paragraphs 20 to 22 of his report, the Secretary-General proposes a number of measures related to the funding of current and future after-service health insurance liabilities of other entities of the United Nations. **The Advisory Committee's observations and recommendations in the paragraphs above on the Secretary-General's proposals in respect of the United Nations, should also apply to the proposals related to such entities.**



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Proposed programme budget for the biennium 2006-2007

Capital master plan

Thirteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the third annual progress report of the Secretary-General on the implementation of the capital master plan (A/60/550 and Corr.1 and 2). The Committee also had before it the report of the Office of Internal Oversight Services on the capital master plan for the period from August 2004 to July 2005 (A/60/288) and the report of the Board of Auditors on the capital master plan for the year ended 31 December 2004.¹ During its consideration of the matter, the Committee met with representatives of the Secretary-General.

2. In the third annual progress report, submitted pursuant to General Assembly resolution 57/292, the Secretary-General outlined activities relating to the project undertaken since the issuance of the previous report (A/59/441) on the capital master plan. The Secretary-General indicated that in the past year there have been significant developments having an impact on the strategy for implementation of the capital master plan selected by the General Assembly in its resolution 57/292. The report of the Secretary-General offers alternatives for implementation of the project and recommends the adoption of a phased approach (strategy IV) as well as a revised project budget of \$1,587.8 million and related financing modalities.

Background information

3. The capital master plan, a programme to refurbish United Nations Headquarters in New York, was proposed to the General Assembly as an approach to resolving unacceptable deterioration, building and fire code deficiencies, deficiencies in modern security requirements and standards and environmental problems in the seven buildings and 17-plus acres of the complex (see A/55/117).

4. The General Assembly, in its resolution 55/238, authorized the preparation of a comprehensive design plan and cost analysis to include all viable alternatives. The



preliminary phase of design was undertaken in 2001 and 2002 and the results were reported to the Assembly (see A/57/285 and Corr.1). A project scope, scope options, budget and an approach to phasing and swing space were selected subsequently and endorsed by the Assembly (resolution 57/292).

5. The approved scope of work required that areas under renovation be vacated. Two possible approaches were presented: the first involved vacating the complex to the greatest extent possible and the second was to pursue the project in a series of small phases.

6. The feasibility of the first approach was based on an offer by the City of New York of a swing space building, which would subsequently consolidate office space outside United Nations Headquarters. The building, called UNDC-5, was to be constructed by the United Nations Development Corporation (UNDC) immediately south of the United Nations Headquarters campus.

7. Design development work started on the basis of the approved scope. Major technical studies were completed and the results incorporated into the design documents. However, several developments have had a serious impact on the viability of the first approach and the project budget. The most important development was the failure of plans for the UNDC-5 building (see A/60/550, para. 6 (a)). In any case, the Advisory Committee now understands that even if the construction of the UNDC-5 building were possible, costs related to the security aspects would have been prohibitive. The Secretary-General indicates that as at September 2005, the approved swing space option was considered to be no longer available; moreover, the alternative swing space costs were estimated to be higher than initially projected and likely to go higher, and the construction cost escalation was pushing the budget upward to the new estimate of some \$1,600 million. These developments had called for a re-examination of the strategy and alternatives for the capital master plan and the development of new approaches and schedules to meet the defined scope. **The Committee regrets these developments and trusts that proper planning in future will avoid the pitfalls of recent experience (see para. 26 below).**

Strategic options

8. Four main strategies have been advanced by the Secretary-General, as follows:

(a) Strategy I provides for vacating the maximum amount of space at Headquarters, moving to four or more commercial swing space sites in midtown and downtown Manhattan and, for the Dag Hammarskjöld Library, to a space in Long Island City, Queens; building temporary conference facilities on the North Lawn for servicing meetings of intergovernmental organs; and then renovating the entire Headquarters complex in one major phase. This approach represents a variation on the first approach as previously approved. The cost is estimated to be \$1,552.8 million, reflecting a \$503.8 million increase over the initial estimates. The projected completion date is in the last quarter of 2011;

(b) Strategy II provides for the scope of strategy I above for phasing and swing space but recommends cutting the approved renovation scope to stay within the initial \$1.2 billion estimate. The projected completion date is in the last quarter

of 2011. According to the Secretary-General, this strategy is considered not to be feasible;

(c) Strategy III provides for the construction of a new permanent office building on the North Lawn, leasing of space for the Dag Hammarskjöld Library in Long Island City and the building of temporary conference facilities on the North Lawn to accommodate a part of the meeting space requirements. The Secretariat would be relocated to the new office tower. The General Assembly building would be renovated, followed by the renovation of the Conference building in two phases. The cost of this alternative is estimated at \$1,584.5 million, reflecting a \$535.5 million increase. The completion date is projected for early 2013. Renovation of the Secretariat building would be deferred for a future project;

(d) Strategy IV provides for leasing of approximately 10 floors of office space in midtown Manhattan and space for the Dag Hammarskjöld Library in Long Island City and building of a temporary conference facility on the North Lawn to accommodate a part of the meeting space requirements. The strategy provides for phased renovation as follows: 10 floors of the Secretariat building would be vacated at each phase to allow renovation of the Secretariat building in four phases and the entire General Assembly building would be renovated, followed by the Conference building, which would be renovated in two phases. The costs are estimated at \$1,587.8 million, including a \$470.5 million increase due to phasing, construction cost escalation and redesign and \$68.3 million due to increased requirements for swing space. The projected completion date is in late 2013, with some minor work to be done in 2014.

9. The Advisory Committee notes from the report (see A/60/550/Corr.2) that the estimated costs and projected schedules for each evaluated strategy as compared to the approved approach are as follows:

(Millions of United States dollars)

	Background		New strategies			
	First approach (one phase, UNDC-5) ^a	First approach (if UNDC-5 is available) ^b	I	II ^c	III ^c	IV ^c
Construction costs	537.4	651.9	651.9	456.7	487.3	734.6
Contingencies	143.0	173.5	173.5	121.5	118.6	184.4
Professional fees, management costs	97.6	118.3	118.3	82.9	99.5	144.3
Forward pricing escalation	175.0	234.2	234.2	164.0	239.0	360.2
Subtotal, renovation	953.0	1 177.9	1 177.9	825.1	944.4	1 423.5
Swing space (combined office and conference)	96.0	250.5 ^d				
Office ^e swing space	-	-	278.1	278.1	585.4 ^f	109.6
Conference swing space	-	-	96.8	96.8	54.7	54.7
Delay for UNDC-5	-	114.0 ^g	-	-	-	-
Subtotal, swing space	96.0	364.5	374.9	374.9	640.1	164.3
Total revised estimate^h	1 049.0	1 542.4	1 552.8	1 200.0	1 584.5	1 587.8
Secretariat exterior and core costs	-	-	-	-	310.0	-
Secretariat interior costs	-	-	-	-	220.0	-
Total revised estimates	1 049.0	1 542.4	1 552.8	1 200.0	2 114.5	1 587.8
Completion date based on initiation of strategy on 1 January 2006	Late 2010	Late 2010	Late 2011	Late 2011	Early 2013 ⁱ	Early 2014

Note: A hyphen (-) indicates that the data are not applicable.

^a 2002 prices.

^b January 2005 prices.

^c These strategies are derivations of strategies I and IV.

^d Midpoint of \$248 million to \$253 million, as reported in table 5, A/59/441/Add.1.

^e Includes the Dag Hammarskjöld Library.

^f Includes new building costs estimated at \$572.3 million.

^g As reported in table 5, A/59/441/Add.1. Costs of the delay would be slightly increased if recalculated today.

^h Does not include scope options, estimated at \$161 million.

ⁱ Late 2014, if adding the core and shell work for Secretariat; late 2015 if adding Secretariat interior work.

10. Of the four alternative strategies for implementation of the capital master plan that have been studied with respect to the scope, phasing, cost and schedule of the project, as well as the issue of swing space, the Secretary-General recommended strategy IV.

11. The Advisory Committee is of the view that the report of the Secretary-General does not provide a complete enough analysis of the relative merits of all options presented to enable the General Assembly to take a fully informed decision.

12. A more complete analysis of strategy III, which would include the possibility of constructing a new permanent building on the North Lawn together with renovation of the Secretariat building, should have been presented. The analysis should take into account the security improvements and savings that could be derived by consolidating off-campus rentals in the new building once the renovation of the Secretariat building has been completed. The Advisory Committee points out that the construction of a permanent building on the North Lawn could obviate much of the need for rental of swing space, thus resulting in savings (see para. 15 below). The Committee understands that there is no legal impediment to constructing a building on the North Lawn. Early planning for Headquarters included an option for a building on the North Lawn, and the General Assembly has never specifically rejected this option, which, however, was not pursued. A number of aesthetic concerns have been raised by the Secretary-General with regard to that option. The Committee points out that, while it has expressed concern about the aesthetic integrity and harmony of the Headquarters complex (see, for example, A/57/7/Add.4, paras. 13 and 29), with a creative design approach it may be possible to preserve the aesthetic value of the Headquarters complex. In any case, the issue of whether to avoid building on the North Lawn for architectural preservation and aesthetic reasons is a policy decision for the Assembly to take.

13. Furthermore, the Advisory Committee notes that building of temporary conference facilities on the North Lawn is foreseen under all four strategies. Experience shows that once constructed, temporary buildings tend to be used for a far longer period than was originally projected. The Committee recommends that, given the cost of building and removing a temporary structure, full information be presented to the General Assembly on the relative costs and merits of constructing a permanent structure instead.

14. The Advisory Committee observes that while strategy II is deemed not to be feasible, there is no accompanying analysis that would give the General Assembly the specifics of what has to be modified or eliminated in order to stay within the initial \$1.2 billion estimate for the capital master plan.

15. The Advisory Committee recalls that one of the most important arguments in favour of the UNDC-5 building was that it would have allowed a consolidation in it of offices from all of UNDC-1 and UNDC-2, as well as from commercially leased spaces. The Committee requested and received information on cost factors related to the construction of a permanent building on the North Lawn. The Committee notes that, depending on different rent escalation assumptions, the amortization period of the building would be from 5.4 years to 14.1 years (see annex below). The Committee requested but was not provided with updated information on cost benefits for United Nations organizations located in New York that would result from the consolidation of office space into a permanent office building on the North Lawn. The Committee requests that such information be provided to the Fifth Committee.

16. The Advisory Committee notes that provisions are made under strategy IV for contingencies and forward pricing escalation (34.3 per cent of the estimated cost of the project). The Secretariat informed the Committee that such provisions reflected

current industry budgetary standards. **The Committee requests that a detailed analysis and all relevant information be provided to the Fifth Committee.**

Budgetary aspects

17. Owing to the multi-year nature of this activity, the capital master plan account would be administered in the same manner as a construction-in-progress account, in line with the relevant recommendations of the Advisory Committee (see A/57/7/Add.4) as endorsed by the General Assembly in its resolution 57/292. **The Committee has no objection to the proposed construction-in-progress account.**

18. The Secretary-General proposes the establishment, effective in 2006, of a working capital reserve at the level of 20 per cent of anticipated annual expenditures to cover temporary cash-flow deficits and to facilitate advance procurement or accelerated construction activity. The reserve is proposed in the amount of \$45 million, which would represent less than 3 per cent of the total project budget. The reserve would be financed through a separate assessment on Member States and managed in accordance with financial regulations 3.5, 4.2 and 4.3. The reserve would be phased out at the end of the construction phase of the project and the related contributions credited back to Member States. **While the Committee agrees in principle with the creation of a reserve fund, it recommends that the consideration of this question be revisited when the General Assembly decides on the main strategy for the capital master plan.**

19. The financing options considered in the report include a one-time assessment and a multi-year assessment. The Secretary-General indicates that while the option of a one-time cash assessment on Member States that is equal to the value of the total anticipated capital master plan project costs would meet all requirements for funding the capital master plan, it would place a significant financial burden on Member States. The application of multi-year assessments, which would be phased to meet the expenditure needs of the project and facilitate the build-up of cash reserves in the early years of construction, would meet many of the requirements for funding of the capital master plan. **The Advisory Committee is of the view that a policy decision by the General Assembly is required as to which of the options should be chosen for financing the capital master plan.**

20. Information on appropriations and expenditures is included in paragraphs 44 to 48 of the report. Table 5 of the report provides expenditures for the period from 2003 to 2006 for the design development and construction documents phases. The Secretary-General proposes that the General Assembly appropriate an amount of \$108.7 million for 2006, including an additional amount of \$100.5 million for financing the design and preconstruction phases, including swing space requirements, for strategy IV of the capital master plan and the conversion of the existing 2006 commitment authority in the amount of \$8.2 million into an appropriation.

21. The Advisory Committee sought clarification in this respect and understands that an appropriation would be required to continue the work of the capital master plan office and for design and planning irrespective of which strategy is approved by the General Assembly. If an appropriation is not approved, the work of the office will draw to a halt and there will be significant delays in the eventual implementation of the project.

22. The Advisory Committee was informed that the minimum amount that would be required for the capital master plan in 2006, irrespective of which strategy is chosen, is \$102.7 million.

23. **The Advisory Committee points out that any amount that would be required for any specific capital master plan strategy over and above the \$102.7 million mentioned above could be considered in the context of the review of that particular option. Accordingly, the Committee recommends appropriation of \$102.7 million at this time.**

Other issues

24. Ensuring a stable cash flow is an essential precondition for uninterrupted financing of the project costs. Therefore, the Secretary-General proposes that the Committee on Contributions be requested to make a recommendation to the General Assembly at its sixty-first session on the possibility of imposing interest to be charged for late payment of the assessed contributions to the capital master plan account as an exception to the present policy. **The Advisory Committee understands that the need for uninterrupted financing of the capital master plan is extremely important. It is of the view that the question of charging interest should be addressed by the Assembly as a matter of policy.**

25. The Advisory Committee notes that the General Assembly, in its resolution 57/292, concurred with the intention of the Secretary-General to establish an advisory board on a broad geographical basis to advise him on financing matters and overall project issues. **The Committee is concerned that the board has not yet been established. The Committee requests that measures be taken to establish the board as soon as possible on a broad geographical basis.**

Conclusion and recapitulation

26. **While the Advisory Committee sees merit in strategy IV as recommended by the Secretary-General, it is of the opinion that the General Assembly should be provided with a more comprehensive analysis of all options, in particular of strategy III. The Committee is especially cognizant of the expense associated with any delay, but is equally convinced that the Assembly must be in a position to take an informed decision that will garner the most widespread support and confidence of Member States. Due to unforeseen developments, considerable time has already been lost as a consequence of the initial planning and subsequent abandonment of the UNDC-5 project. It should be noted that the Committee is not recommending another report and further delay. The necessary analysis and additional information should be provided directly to the Assembly quickly for its consideration at the earliest opportunity. In the meantime, in order to minimize further delay and provide for the smooth and continuous implementation of design and planning work, the Committee recommends an appropriation of \$102.7 million, including the existing 2006 commitment authority in the amount of \$8.2 million.**

Notes

¹ *Official Records of the General Assembly, Sixtieth Session, Supplement No. 5 (A/60/5), vol. V.*

Annex

Estimated cost amortization period for the permanent office building on North Lawn considered under strategy III^a

The estimated cost amortization period for a permanent office building on the North Lawn was determined on the basis of the following assumptions:

- (a) A new permanent office building on the North Lawn would be completed in 2011;
- (b) Secretariat building renovation would be completed in 2015;
- (c) The North Lawn building would be occupied by non-Headquarters campus staff in 2016;
- (d) No allowance has been made for cost of financing new building construction;
- (e) No allowance has been made for depreciation.

Based on the above assumptions, the estimated cost amortization period would be as follows:

Construction costs of North Lawn building (including fees, contingencies and escalation)	\$572,300,000
Size	900,000 square feet
Projected average cost per square foot	\$635.90
Payback period assuming current lease rates: \$45 per square foot ^b	14.1 years
Payback period assuming rental escalation of 3.5 per cent from 2005	8.5 years
Payback period assuming rental escalation of 5.0 per cent from 2005	7.1 years
Payback period assuming rental escalation of 7.5 per cent from 2005	5.4 years

^a Based on assumption of replacement of current lease costs of the commercial office space rented by the United Nations.

^b The highest lease rate used for commercial space in New York in the vicinity of Headquarters in 2005 is \$45 per square foot. This is the rate currently paid for leasing the FF building. The approach used in selection of the rate is based on provisions of resolution 41/213.

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**Integrated and coordinated implementation of and follow-up
to the outcomes of the major United Nations conferences and
summits in the economic, social and related fields**

Strengthening of the United Nations system

Follow-up to the outcome of the Millennium Summit

Proposed programme budget for the biennium 2006-2007

**Administrative and budgetary aspects of the financing of the
United Nations peacekeeping operations**

2005 World Summit Outcome

**Revised estimates to the proposed programme budget
for the biennium 2006-2007 under sections 1, 2, 3, 11,
16, 23, 28A, 28C, 28D, 28E, 28F and 29**

**Revised estimates to the support account for peacekeeping
operations for the period from 1 July 2005 to 30 June 2006**

**Fourteenth report of the Advisory Committee on
Administrative and Budgetary Questions**

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the administrative and budgetary aspects of the revised estimates to the proposed programme budget for the biennium 2006-2007 and to the support account for peacekeeping operations for the period from 1 July 2005 to 30 June 2006 (A/60/537), which the Secretary-General submitted following the adoption by the General Assembly of the 2005 World Summit Outcome (resolution 60/1).

2. As noted in paragraph 1 of the report of the Secretary-General, a statement of programme budget implications (A/60/355) was provided at the time of the adoption of resolution 60/1 in which it was indicated that total requirements arising from the



resolution were estimated at \$80 million and, further, that a detailed statement of programme budget implications would be submitted to the Assembly for consideration in the context of its review of the programme budget for the bienniums 2004-2005 and 2006-2007, as well as for the support account. The above-mentioned statement of programme budget implications was not submitted to the Advisory Committee or the Fifth Committee for consideration. Upon enquiry, the Advisory Committee was informed that this unusual procedure was necessary because the realities of the Summit negotiating process left insufficient time for consideration of the document by the Advisory Committee and the Fifth Committee between the securing of political consensus and the scheduled date for adoption of the resolution. The revised estimates in document A/60/537 thus represent the detailed programme budget implications referred to in document A/60/355.

3. The Advisory Committee notes that the Secretary-General's intention, as indicated in paragraph 2 of his report, was to outline the programmatic and financial consequences of the actions mandated in the 2005 World Summit Outcome and the changes that would be required to the proposed programme budget for the biennium 2006-2007 and the budget of the support account for the period from 1 July 2005 to 30 June 2006. According to the Secretary-General, the report does not, however, include changes or resource requirements associated with actions that would require further study or of which the Assembly remains seized, such as arrangements relating to the Human Rights Council and the Peacebuilding Commission, reports and reviews to be conducted on strengthening the oversight capacity of the United Nations and expansion of oversight services to additional agencies or reviews and consultations relating to the Department of Economic and Social Affairs under paragraphs 17 to 68 and 155 of the Summit Outcome (but see para. 8 below). The implications of those actions will be provided as and when the decisions are taken or the reports are submitted to the Assembly in 2006.

4. Taking the aforementioned considerations into account, the Secretary-General estimates regular budget requirements arising from the recommendations of the 2005 World Summit that do not require further study at \$73,368,800. Resource requirements by budget section are shown in table 48 of the report of the Secretary-General (A/60/537). In terms of regular budget posts, the Secretary-General proposes an increase of 200 posts. The overall distribution of posts by grade is shown in table 2 of the report. For the support account, additional requirements relating to the Summit Outcome are estimated at \$2,122,700 for the period from 1 July 2005 to 30 June 2006, and an increase of 27 posts is proposed (*ibid.*, tables 3 and 4).

5. As noted in paragraph 160 of the report of the Secretary-General, the activities called for in the 2005 World Summit Outcome are not reflected in the proposed programme budget for the biennium 2006-2007. The Secretary-General indicates that, pending the outcome of the review of all mandates older than five years, it is not possible to identify activities that could be terminated, deferred, curtailed or modified to accommodate the requirements reflected in the revised estimates.

6. The report of the Secretary-General is complex owing to the scope of proposals submitted and their significance. In addition, in accordance with current procedures for the consideration of proposed programme budgets, the Advisory Committee received voluminous supplementary information. In keeping with past practice and rule 157 of the rules of procedure of the General Assembly, the

Committee decided that the report of the Secretary-General required an in-depth, line-by-line examination in the same manner in which the Committee traditionally treats the proposed programme budget itself.

7. In the opinion of the Advisory Committee, the intense pressure under which the Secretariat prepared the report resulted in a document that is not totally coherent. One of the central difficulties experienced by the Committee is the fact that the report appears to be a catch-all for various types of proposals.

8. In the first place, some of the estimates relate directly to specific decisions of the General Assembly as contained in the Summit Outcome. Secondly, despite the assertion in paragraph 2 of the report of the Secretary-General that his report does not contain changes or resource requirements for actions that would require further study or for which the General Assembly remains seized (see para. 3 above), there are estimates projected for activities that have not as yet been fully defined in the intergovernmental deliberative process and, as such, are subject to modification as the result of further intergovernmental action or further reporting that has been requested of the Secretary-General. In connection with the latter, the Advisory Committee notes that a number of reports are pending, including documents that are to reflect the results of "comprehensive reviews". Upon request, the Committee was provided with a list of reports that remain to be submitted (see annex below).

9. Lastly, there are proposals of the Secretary-General that, although they are generally related to existing mandates, cannot in the opinion of the Advisory Committee be specifically tied to any particular decision reflected in the Summit Outcome, including at least one instance in which the General Assembly has "endorsed" or "approved" an "intention" of the Secretary-General to do something; clearly, the initiative in such an instance is with the Secretary-General.

10. In this connection, on 28 November 2005, the Advisory Committee became aware of a report of the Secretary-General containing an overview of the functions, responsibilities, structure and location of an ethics office, as well as the terms of reference of the comprehensive review of governance arrangements, including an independent external evaluation of the auditing and oversight system, and the provisional terms of reference for an independent audit advisory committee (A/60/568). In the report, the Secretary-General replaces his previous "intention" to establish an ethics office with a proposal to establish such an office. Proposals concerning the conduct of an independent external evaluation of governance, oversight and auditing in the United Nations and the establishment of an Independent Audit Advisory Committee, including its mandate, composition, selection process and qualification of experts, appear to be in response to the requests contained in paragraphs 164 (b) and (c) of the Summit Outcome. **Inasmuch as that report amplifies, and in some cases might even contradict, some of what is already included in the report on revised estimates, the Committee is of the view that it should have been given an opportunity to study the report carefully, have an exchange with representatives of the Secretary-General and to submit its views to the General Assembly.**

11. The Advisory Committee has consistently cautioned against a piecemeal approach such as that taken in the report of the Secretary-General on revised estimates. The consideration of multiple reports on the same subject makes the formulation of a clear path forward extremely difficult. Indeed, it appears that some elements of the report of the Secretary-General on the revised estimates

will be overtaken by events and will have to be revisited at a later time. In the paragraphs below the Committee, in a number of instances, points to the need for further legislative decision-making or further elaboration and clarification on the part of the Secretariat. In a number of cases, in addition to what the Secretary-General himself indicates remains to be done (see para. 8 above), the Committee is recommending that certain matters be revisited for more comprehensive analysis and justification. The revised estimates cannot therefore be considered to be comprehensive. Under the circumstances, the Committee recommends that the Secretary-General be requested to prepare a follow-up report for submission to the General Assembly as soon as possible and not later than the main part of the sixty-first session, which should provide a comprehensive analysis and estimate of the resources necessary to implement the actions mandated by the 2005 World Summit in the light of any subsequent decisions taken by the General Assembly.

12. The methodology employed in calculating the additional quantum of resources that would be necessary does not include any supporting justification for the base level, which is the proposed programme budget for 2006-2007. The Committee believes that a case can also be made for using the revised estimates for 2004-2005 as the starting point, since the 2006-2007 proposed programme budget has yet to be adopted and the total quantum of resources to be approved for the forthcoming biennium is still unknown; therefore, calculations could have been made on the same basis as the initial estimates themselves. The tables in the revised estimates should therefore have contained information on the 2004-2005 revised estimate level as approved by the General Assembly.

13. The calculation of additional requirements should have taken into account fully and systematically the potential for carrying out new or different tasks and activities without requesting additional resources. The Advisory Committee regrets that the revised estimates lack convincing evidence that an effort has been made to accommodate new and expanded mandates through a redeployment of resources. Such an analysis should have been carried out, even on the basis of the existing mandates and prior to the review of all mandates older than five years mentioned in paragraph 160 of the report of the Secretary-General (see para. 5 above).

14. Another major issue is the question of the use of the contingency fund. General Assembly resolutions 41/213 and 42/211 are landmarks in the planning, programming and budgeting governance of the Organization and have stood the test of time. Under the circumstances, there should have been a thorough analysis of the issue and options for dealing with it. In paragraph 67 below, the Advisory Committee therefore presents possible options for consideration by the General Assembly.

15. The Advisory Committee notes the frequent resort to consultants to implement the directives of the General Assembly. The Committee points out that procedures adopted by the Assembly for the use of consultants require that full account be taken of existing expertise and capacity before outside assistance is sought.

16. As regards the estimates for the Office of Internal Oversight Services, for reasons explained in its first report on the proposed programme budget for 2006-2007,¹ the Advisory Committee did not take up the fascicle pertaining to section 29

(A/60/6 (sect. 29)). Under the circumstances, the Committee fully expected a reworked fascicle for section 29, which would incorporate the approach of the new Under-Secretary-General for Internal Oversight Services as well as the financial implications of the portions of the Summit Outcome that relate to the Office of Internal Oversight Services. However, the Committee has now been informed that the "reworking" of section 29 will not be possible until sometime in 2006, when another set of estimates for the Office of Internal Oversight Services might be submitted subsequent to the completion of mandated reviews. In view of the special circumstances surrounding the estimates for section 29, the Committee will be issuing a separate report on the matter.

II. Revised estimates by section

Section 1

Overall policymaking, direction and coordination

Ethics office

17. By paragraph 161 (d) of the 2005 World Summit Outcome, the General Assembly stated:

[We] [w]elcome the Secretary-General's efforts to ensure ethical conduct, more extensive financial disclosure for United Nations officials and enhanced protection for those who reveal wrongdoing within the Organization. We urge the Secretary-General to scrupulously apply the existing standards of conduct and develop a system-wide code of ethics for all United Nations personnel. In this regard, we request the Secretary-General to submit details on an ethics office with independent status, which he intends to create, to the General Assembly at its sixtieth session.

The Advisory Committee points out that the General Assembly's request is made in reaction to a stated intention of the Secretary-General. As such, the establishment of an ethics office could be seen as an initiative of the Secretary-General.

18. Subsequent to its consideration of this matter, the Advisory Committee became aware of a report of the Secretary-General on an ethics office; a comprehensive review of governance arrangements, including an independent external evaluation of the auditing and oversight system; and an independent audit advisory committee (A/60/568; see also para. 10 above). The Committee notes that "the intention of the Secretary-General" is now a proposal for consideration by the General Assembly. **In the present report, the Committee therefore makes comments and recommendations on the resource requests for an ethics office, but on the understanding that they may be subject to further review and revision in the light of the action which the General Assembly may take on the Secretary-General's proposals contained in the aforementioned document.**

19. The Advisory Committee points out that the activity being provided for is not new; indeed, it should have been an integral part of the administrative structure of the Secretariat since its inception. The leadership and direction provided by the Secretary-General and the responsibilities he has under the Charter for the administration of the staff, as well as the obligations of staff

assumed when they take their oaths of office, make adherence to strict ethical conduct obligatory.

20. The Secretary-General estimates the requirements for the creation of an ethics office at \$3,801,100 and proposes a staffing establishment of 16 posts as follows:

- *One Assistant Secretary-General, head of the office*
- *One D-1, Director of the office*
- *Four P-5 posts, Senior Ethics Officers (1 for New York and 1 each for liaison offices in Geneva, Vienna and Nairobi)*
- *One P-4 and one P-3, Ethics Officers*
- *One P-3, Administrative Officer*
- *One P-2, Associate Ethics Officer*
- *One General Service (Principal level) post, Senior Administrative Assistant*
- *Five General Service (Other level) posts: one Personal Assistant to the head of the office and one Administrative Assistant each for New York and the liaison offices*

The estimate also includes an amount of \$1.1 million for consultants, of which \$100,000 would be non-recurrent. The core functions of the office are to include administration of the financial disclosure programme; protection of staff against retaliation for reporting misconduct ("whistleblower protection"); provision of confidential advice and guidance to staff on ethical issues; and development of standards, training and education on ethics issues.

21. In paragraph 12 of his report (A/60/537), the Secretary-General proposes the creation of a post at the Assistant Secretary-General level for the head of the office. **The Committee is not convinced that the strengthening of ethical conduct in the culture of the United Nations Secretariat would necessarily be enhanced by the creation of another Assistant Secretary-General post, especially since it is the Secretary-General who must personally provide leadership and guidance in this area and must be seen as doing so. Should further assistance be required in the development of a code of ethics, its dissemination and enforcement, those responsibilities could be carried out by an official at the D-2 level.**

22. **The Advisory Committee points out that it is not possible at this juncture to predict the workload of the ethics office.** The Committee was informed that the major work of the financial disclosure programme would be outsourced to ensure an independent review, leaving the administration of the programme to the ethics office itself. This approach is analogous to that adopted by other international institutions, including the World Bank, to ensure privacy and the independence of the review. The Committee was informed that the estimate involved start-up costs, which would decrease over time as the electronic system became fully operational and as staff became more aware of their obligations and more familiar with the filing system. **Similarly, work involving standard-setting would logically be labour-intensive in the beginning and could taper off once standards were developed, supplemented or properly explained to staff and ethics training programmes had been put in place.**

23. For the aforementioned reasons, the Advisory Committee recommends that, in addition to the D-2 post recommended in paragraph 21 above, one P-5, one P-4, one P-3 and two General Service (Other level) posts and general temporary assistance equivalent to three posts (1 P-3, 1 P-2 and 1 General Service (Principal level)) be approved for the Headquarters component of the ethics office, subject to such decision as the General Assembly may take with regard to the Secretary-General's proposals contained in document A/60/568 and with the understanding that staffing requirements would be reviewed in the light of experience.

24. The Advisory Committee is of the view that the establishment of liaison offices is premature, given the uncertainties regarding the workload of the office. Furthermore, it appears to the Committee that even with the placement of liaison offices in Geneva, Vienna and Nairobi, many of the submissions received by the office would have to be dealt with online. Moreover, the establishment of regional liaison offices would not make it any more possible for staff in the peacekeeping operations, for example, to benefit from direct consultation with the ethics office, and standard-setting functions can be carried out anywhere. The Committee therefore recommends against the six posts (3 P-5 and 3 General Service (Other level)) proposed for liaison offices at this time; the need for the establishment of liaison offices may be revisited in the light of experience.

25. The Advisory Committee points out that that many ethics-related activities are already carried out in different parts of the Secretariat, including the Executive Office of the Secretary-General, the Office of Human Resources Management, the Office of Internal Oversight Services, the Office of Legal Affairs and the Department of Peacekeeping Operations. The Secretary-General has not provided a clear picture of all the elements in the Organization that deal with ethics matters, nor is any attempt to redeploy resources apparent in the documents before the Committee. The Committee requests, therefore, that the Secretary-General describe, in his comprehensive follow-up report (see para. 11 above), the various ethics activities carried out by different organizational entities within the Secretariat, laying out a plan for coordination among them and exploring the possibility for redeployment of resources to the ethics office if needed. The Committee considers this essential to the planning of a rational structure for the ethics office.

Independent oversight advisory committee

26. The Secretary-General is proposing a "provisional" estimate of \$1,172,500 for an independent oversight advisory committee (also referred to as the independent audit advisory committee to the United Nations (see A/60/568)).

27. The Advisory Committee notes from document A/60/537 that a comprehensive report on the independent oversight advisory committee was to be the subject of a separate report to be submitted to the General Assembly at its sixtieth session. The Committee in fact became aware of such a report (A/60/568) subsequent to its deliberations on this matter (see para. 10 above). The Committee notes from that report that the independent audit advisory committee would serve in an expert advisory capacity to the General Assembly. **In the view of the Advisory Committee, it is for the General Assembly itself to decide upon such issues as**

the mandate, composition, selection process and qualification of experts of the new committee. Under the circumstances, the Advisory Committee is of the opinion that it is premature to consider resource requirements for the committee until the requisite policy decisions have been taken by the Assembly.

Section 2

General Assembly and Economic and Social Council Affairs and conference management

28. The Secretary-General proposes additional resources of \$7,111,500 for conference management, of which \$3,111,500 would be for New York and \$4 million for Geneva. The Advisory Committee points out that most of the additional resources would be required for meetings of the Peacebuilding Commission (New York) and the Human Rights Council (Geneva), with the balance being for Economic and Social Council ministerial-level substantive reviews and the high-level Development Cooperation Forum, in accordance with paragraph 155 of the Summit Outcome (see A/60/537, paras. 21, 22 and 24). **As the legislative process in respect of both the Peacebuilding Commission and the Human Rights Council is still not complete, the Advisory Committee is of the opinion that it would be premature to consider resource requirements for them at this time.**

29. Furthermore, the Advisory Committee recalls that it has recommended an estimate of \$590 million under section 2 of the proposed programme budget for the biennium 2006-2007. The absorptive capacity of that provision has not as yet been explored. **Under the circumstances, the General Assembly may wish to consider two options — either to defer consideration of the amount and to request a resubmission based on such decisions as may be taken by the Assembly on the establishment of the Peacebuilding Commission and the Human Rights Council, or to decide that such additional resources as may be necessary be reflected in the relevant performance report(s) for the biennium 2006-2007. The latter option is especially relevant in respect of conference services for Economic and Social Council ministerial-level substantive reviews and the high-level Development Cooperation Forum, which also form part of the estimated requirements for New York.**

Section 3

Political affairs

30. Estimated additional requirements under section 3 amount to \$7,642,600, including 39 additional posts.

Executive direction and management

31. The Secretary-General proposes to strengthen of the policy analysis capacity of the Department of Political Affairs in response to actions emanating from paragraphs 88, 97 to 105 and 136 of the 2005 World Summit Outcome with regard to building capacity for peacebuilding, supporting democracy and combating terrorism. Estimated additional requirements for section 3 of the proposed programme budget for the biennium 2006-2007 under executive direction and management include the following staff changes:

- *Three additional P-4 posts (one each to deal with the issues of peacebuilding, terrorism and democracy) to augment the existing staffing of the Policy Planning Unit and enhance its policy coordination and policy development capacity*
- *Reclassification of the Chief of Unit from P-4 to P-5 in view of the range of issues and the complexities that the Unit will be expected to handle*

In view of the role played by the Policy Planning Unit in the development of policy for the Secretary-General in a range of areas, as well as the current level of staffing of the Unit, which is quite small (2 P-4 and 2 General Service (Other level) posts) in comparison with other similar units, such as those of the Department of Peacekeeping Operations and the Office for the Coordination of Humanitarian Affairs, the Advisory Committee recommends approval of these proposals.

Subprogramme 1

Prevention, control and resolution of conflicts

32. By paragraph 76 of the Summit Outcome, the General Assembly recognized the role of the good offices of the Secretary-General, including in the mediation of disputes, and expressed its support for the Secretary-General's efforts to strengthen his capacity in that area. In response, the Secretary-General proposes the establishment of a dedicated mediation support unit and the strengthening of the mediation support capacity of the regional divisions of the Department of Political Affairs.

33. The estimated additional requirements under subprogramme 1 include proposals for 15 additional staff for mediation support, as follows:

- *Four P-5 posts for regional divisions*
- *One D-1, Director of the Mediation Support Unit*
- *Two P-5 posts, Senior Officers, Mediation Support Unit: one for mediation training and the other for best practices and operational support*
- *Two P-4 and two P-3 posts, Political Affairs Officers, Mediation Support Unit*
- *One General Service (Other level) post, administrative and research assistant, Mediation Support Unit*

The Advisory Committee recognizes the importance of mediation support. The Committee is of the opinion that the concept behind the establishment of a mediation support unit needs to be developed, taking into account capacity within the Secretariat as a whole. Pending the further development of this concept, including details on the specific operational role of the unit, the Committee recommends that a core mediation support function be provided through the establishment of two posts, one P-5 and one P-4. In addition, the Committee recommends approval of the four P-5 posts requested for the regional divisions for the reasons given in paragraph 34 of the report of the Secretary-General (A/60/537).

34. By paragraph 170 of the Summit Outcome, the Assembly expressed its support for a stronger relationship between the United Nations and regional and subregional

organizations. The establishment of a focal point within the Department of Political Affairs is proposed, with the following staffing:

- *One D-1*
- *One P-3*
- *One General Service (Other level) post*

The Advisory Committee recommends approval of these posts.

Peacebuilding Support Unit

35. By paragraph 104 of the Summit Outcome, the General Assembly requested the Secretary-General "to establish, within the Secretariat and from within existing resources, a small peacebuilding support office staffed by qualified experts to assist and support the Peacebuilding Commission". The Secretary-General proposes a staffing establishment of 21 posts, as follows:

- *One Assistant Secretary-General*
- *One D-2*
- *One D-1*
- *Three P-5 posts*
- *Five P-4 posts*
- *Five P-3 posts*
- *One General Service (Principal level) and four General Service (Other level) posts*

No detailed description of the functions of the posts was provided. The Advisory Committee notes from paragraph 19 of the report of the Secretary-General on implementation of decisions from the 2005 World Summit Outcome (A/60/430) that the Secretary-General has already taken interim steps to set up a start-up element of the office, using posts currently available, so as to ensure that it is in a position to prepare for the pending establishment of the Peacebuilding Commission. **The Committee points out that the General Assembly has not yet concluded its discussions on arrangements for the Peacebuilding Commission; when it does, a statement of programme budget implications should be issued in accordance with rule 153 of the rules of procedure of the Assembly, at which time resource requirements for a peacebuilding support office may be considered. In the meantime, the Committee believes that the interim steps already taken by the Secretary-General will ensure that the most urgent needs of the Peacebuilding Commission for support in the start-up phase will be met. Accordingly, the Committee recommends that the Assembly defer consideration of resource requirements for a small peacebuilding support office until the deliberations on the arrangements for the Peacebuilding Commission have been concluded.**

Section 11

United Nations support for the New Partnership for Africa's Development

36. By paragraph 68 of the Summit Outcome, the General Assembly reaffirmed its "commitment to address the special needs of Africa, which is the only continent not on track to meet any of the goals of the Millennium Declaration by 2015, to enable it to enter the mainstream of the world economy". Estimated additional requirements under section 11 of the proposed programme budget for the biennium 2006-2007 amount to \$195,400. The requirements reflect the proposed establishment of two posts (offset in part by a reduction of \$130,000 in non-post requirements under consultants and experts), as follows:

- *One P-4, Policy Analysis and Monitoring Unit, Office of the Special Adviser for Africa*
- *One P-3, Cooperation, Advocacy and Programme Development Unit*

37. On the face of it, the proposal for \$195,400 to meet the special needs of Africa under section 11 appears to be inadequate. In the opinion of the Advisory Committee, it would have been helpful if a comprehensive system-wide plan had been elaborated in response to all elements of paragraph 68 of the Summit Outcome, which would have incorporated not only the activities of the New Partnership for Africa's Development, but also other relevant United Nations entities with activities pertinent to the United Nations role regarding the special needs of Africa. Upon enquiry, the Committee received limited information on a possible role for individual entities of the United Nations system. The Committee trusts that a further elaboration of such a plan will be forthcoming and requests that the Secretary-General report thereon to the General Assembly as soon as possible and no later than the main part of the sixty-first session. In the meantime, the Committee recommends approval of the two posts requested and expects that urgent measures will be taken to fill the post of Special Adviser on Africa, which has been vacant since 1 July 2005.

38. With regard to a provision for consultants, in view of the delayed recruitment factor for new posts, which could be up to one year, it may be prudent to retain the provision for consultants, subject to review and rejustification in the report requested in paragraph 11 above.

Section 16

International drug control, crime prevention and criminal justice

Subprogramme 2

Services for policymaking and treaty adherence

39. The Secretary-General's response to paragraphs 81 to 91 and 111 to 115 of the Summit Outcome is described in paragraphs 48 to 53 of the revised estimates (A/60/537). The Secretary-General proposes four additional regular budget posts, as follows:

- *One P-3 in the Terrorism Prevention Branch to provide specialized substantive expertise in relation to the comprehensive United Nations counter-terrorism strategy*

- *One P-3 in the Terrorism Prevention Branch to provide specialized legal expertise on the International Convention for the Suppression of Acts of Nuclear Terrorism*
- *One P-3 in the Crime Conventions Section to provide specialized substantive expertise on the Convention against Transnational Organized Crime and the Protocols thereto*
- *One P-3 in the Crime Conventions Section to carry out substantive and specialized tasks of the secretariat of the Conference of States Parties to the Convention against Corruption*

The Advisory Committee notes from paragraph 13 of the report of the Secretary-General on implementation of decisions from the 2005 World Summit Outcome (A/60/430) that he intends to submit proposals by early 2006 to the General Assembly and the Security Council, to strengthen the capacity of the United Nations system to assist States in combating terrorism and to enhance the coordination of United Nations activities in this regard (and, in the understanding of the Committee, especially with regard to the Counter-Terrorism Committee). **Accordingly, the Committee recommends deferral of consideration of the establishment of the two P-3 posts in the Terrorism Prevention Branch until the Secretary-General has submitted his proposals. The Committee recommends approval of the two P-3 posts proposed for the Crime Conventions Section.**

Subprogramme 3

Technical assistance and advice

40. The Secretary-General proposes 10 additional extrabudgetary posts (3 P-4, 3 P-3, 2 P-2 and 2 General Service (Other level)) to strengthen the capacity of the United Nations Office on Drugs and Crime to build and reform criminal justice systems and to support the rule of law, particularly in post-conflict and transitional societies. Upon enquiry as to the reason for the inclusion in the regular budget of requirements of \$27,000 relating to travel of staff, the Advisory Committee was informed that the provision was for assessment missions to Africa, the Middle East, Asia and Latin America in response to requests for assistance in the area of the rule of law. The estimate would cover five assessment missions of approximately two weeks each.

Section 23

Human rights

41. Estimated additional requirements under section 23 amount to \$24,223,700, including 93 new posts.

42. In paragraph 124 of the Summit Outcome, the General Assembly stated:

We resolve to strengthen the Office of the United Nations High Commissioner for Human Rights, taking note of the High Commissioner's plan of action, to enable it to effectively carry out its mandate to respond to the broad range of human rights challenges facing the international community, particularly in the areas of technical assistance and capacity-building, through the doubling of its regular budget resources over the next five years with a view to progressively setting a balance between regular budget and voluntary

contributions to its resources, keeping in mind other priority programmes for developing countries and the recruitment of highly competent staff on a broad geographical basis and with gender balance, under the regular budget, and we support its closer cooperation with all relevant United Nations bodies, including the General Assembly, the Economic and Social Council and the Security Council.

The Advisory Committee recalls that the High Commissioner's plan of action was brought to the attention of the General Assembly, but not for a decision. **With regard to the Assembly's taking note of the plan of action, it is the Committee's understanding that this is to be interpreted consistent with General Assembly decision 55/488, in which the Assembly pronounced itself on the meaning of the term "takes note". Information on the implementation of paragraph 124, including how it is planned to "keep in mind" priority programmes for developing countries, should be included in the comprehensive follow-up report requested in paragraph 11 above.**

43. There is no discussion in the report of the Secretary-General as to how the doubling of the resources of the Office of the United Nations High Commissioner for Human Rights (OHCHR) over the next five years is to be handled over the coming bienniums, nor is there a specific indication of the precise baseline against which future increases would be measured. Full details should be given, taking into account paragraph 12 above, so that the General Assembly can take an informed decision.

Executive direction and management

44. As noted in paragraph 74 of the report of the Secretary-General, in keeping with the Secretary-General's reform plan and the OHCHR plan of action (see A/59/2005/Add.3), it is proposed to strengthen the New York office of OHCHR. In the plan of action, the argument put forward for this change is that most of the core United Nations departments and agencies are headquartered in New York, and the Executive Committees and subsidiary bodies convene in New York, as do the Security Council, the General Assembly and the Economic and Social Council. The New York-based work of the Office is expected to expand significantly (*ibid.*, para. 123). Six additional posts are proposed for the New York office, as follows:

- *One Assistant Secretary-General post, head of the New York office*
- *One P-4 to support expanded work in the field of rule of law*
- *One P-4 to support expanded work in the field of peace and security*
- *One P-4 to support expanded work in human rights aspects of the Millennium Development Goals*
- *One P-3 to support expanded work in the implementation and follow-up phases of action 2*
- *One General Service (Other level) post*

It appears to the Advisory Committee that through this shift in emphasis to New York, what was formerly a liaison office would become a programme office. In this connection, the Committee notes that OHCHR intends to undertake a feasibility study to determine whether other functions and

personnel might better be located in New York (see A/60/537, para. 74). The Committee recognizes the need for strengthening the capacity of the New York office; however, it is of the view that consideration of the proposal to establish an Assistant Secretary-General post for New York should be considered in the context of the feasibility study when it is completed and when OHCHR has a clearer picture of its structural needs and the functions envisaged for the New York office. The Committee notes, in this connection, that the current staffing of the New York office includes a D-2 Director. The Committee recommends approval of three P-4, one P-3 and one General Service (Other level) posts for the New York office of OHCHR.

45. The Secretary-General proposes strengthening the Communications Unit of OHCHR through the addition of five posts, as follows:

- *One P-4 to develop and manage the promotional publications programme and oversee the preparation of information products*
- *One P-3 to conduct research and produce information materials*
- *Three General Service (Other level) support staff*

The Advisory Committee recommends approval of the P-4 and P-3 posts and one General Service post to assist the P-4 and P-3.

46. In response to recommendations of the Office of Internal Oversight Services (see A/57/488), OHCHR is planning to create a policy, planning, monitoring and evaluation unit "to ensure that the strategic vision of OHCHR is translated into concrete priorities and operational plans" (A/59/2005/Add.3, annex, para. 117). The proposed staffing of the office is as follows:

- *One D-1, head of the policy, planning, monitoring and evaluation unit*
- *One P-5 to provide policy direction on partnerships with civil society*
- *One P-5 to develop and support an office-wide evaluation approach and process*
- *One P-4 to work on strategic planning and development of internal policy*

The Advisory Committee points out that much work has already been done on evaluation and processes, including work done by the Office of Internal Oversight Services, as noted above. In view of the continued importance of evaluation and monitoring, especially in the light of the restructuring and reform that OHCHR is undergoing, the Committee recommends approval of the D-1 post for the head of the unit, as well as the P-4 post for strategic planning and development of internal policy and one P-5 to be assigned at the discretion of the High Commissioner.

Subprogramme 1

Human rights mainstreaming, right to development, research and analysis

47. The Secretary-General proposes 20 additional posts under subprogramme 1, as follows:

Human rights mainstreaming

- *Two P-4 posts to develop tools and materials to provide training and advice to United Nations country teams and support action 2 advisers*

- *One P-4 to ensure enhanced capacity to provide advice and training and to develop tools and materials for military peacekeepers and civilian police*
- *Two P-4 posts to establish and manage a programme on access to justice and advise on national accountability mechanisms and transitional justice*

Right to development

- *One P-5 to head a unit on Millennium Development Goals and rights-based approaches*
- *One P-3 to provide expertise on rights-sensitive poverty reduction strategies, rights-based approaches to development and right to development*

Research and analysis

- *One P-5 to formulate strategies and coordinate activities on economic, social and cultural rights, including legal protection*
- *One P-4 to ensure integration of economic, social and cultural rights issues in OHCHR country strategies and activities*
- *One P-3 to assist in developing expertise within OHCHR on rights to food, education and health*

Women's human rights

- *One P-5 to head the Unit on Women's Human Rights*
- *One P-4 to conduct research, provide expert advice, develop programmes and support advocacy on women's rights in development*
- *One P-3 to conduct research, provide expert advice, develop programmes and support advocacy on women's rights in the private and family spheres*
- *One General Service (Other level) to provide secretarial assistance*

Investigations

- *Two P-4 posts to provide legal expertise to support human rights investigations*

Global Human Rights Report

- *One P-5 to lead the Global Report Unit*
- *One P-4 to coordinate research*
- *One P-3 to carry out research and review the work of external consultants*
- *One General Service (Other level) support post*

The Advisory Committee recommends approval of all of the above posts, with exception of the four posts (1 P-5, 1 P-4, 1 P-3 and 1 General Service (Other level)) for the Global Human Rights Report. While the Committee recognizes that the report is a part of the OHCHR plan of action, which has been noted in the Summit Outcome, in the opinion of the Committee, the concept for such a report has not been adequately set out. Supplementary information provided to

the Committee indicates that collaboration with others, including academic and research centres worldwide, will enhance the value of such a report; however, there is no description of how this collaboration would take shape. The Committee recommends that OHCHR further develop the idea and present it in a more comprehensive manner in the follow-up report requested by the Committee in paragraph 11 above. Estimated requirements for subprogramme 1 should also be reduced by \$1,380,000 for non-post requirements relating to the Global Human Rights Report.²

Subprogramme 2

Supporting human rights bodies and organs

48. By paragraph 125 of the Summit Outcome, the General Assembly resolved "to improve the effectiveness of the human rights treaty bodies, including through more timely reporting, improved and streamlined reporting procedures and technical assistance to States to enhance their reporting capacities and further enhance the implementation of their recommendations". As noted in paragraphs 87 and 88 of the report of the Secretary-General, many States find the current reporting requirements onerous, as they are required to report separately to different treaty bodies, often on very similar or overlapping issues. Additional resources are proposed to support the work of the treaty bodies, develop strategies to harmonize working methods and streamline reporting procedures of treaty bodies, as well as to strengthen national capacity and engage in the treaty implementation and monitoring process. The Secretary-General proposes eight additional posts under subprogramme 2, as follows:

Support for treaty bodies

- *Three P-3 posts to support the work of all six Geneva-based treaty bodies*

Legal advocacy and advice

- *One P-5 to direct and supervise legal research, advocacy and advice on international human rights law*
- *One P-3 to undertake research and provide assistance to the legal advocacy and advice unit coordinator*

Treaty implementation and development

- *One P-5 to develop strategies to encourage the harmonization of working methods of the treaty bodies and streamline reporting and petition procedures*
- *One P-3 to support the P-5 through research*
- *One General Service (Other level) post*

The Advisory Committee recommends approval of the posts proposed under subprogramme 2

49. On non-post requirements, the Advisory Committee notes from the supplementary information provided to it that, as an exception to General Assembly resolution 1798 (XVII), as amended, the Secretary-General requests an amount of \$370,000 for travel for the participation of the least developed countries in the intergovernmental meeting of States parties on proposals for a unified standing

treaty body. The Committee was informed that no provision had been made for this activity in the proposed programme budget for 2006-2007. A decision by the General Assembly on this matter is therefore required.

Subprogramme 3

Advisory services, technical cooperation and field activities

50. As indicated in paragraphs 91 and 92 of the report of the Secretary-General:

It is mainly through action at the national level that international human rights obligations can be translated into reality. To this end, OHCHR will use a variety of tools, including technical cooperation and policy advice, monitoring, follow-up of recommendations and reports of special procedures and regional and country presences ... The OHCHR technical cooperation programme will be strengthened and more clearly built around clear, long-term strategies agreed with Governments and developed with the participation of civil society.

In order to engage effectively with countries, OHCHR proposes an expansion of geographic capacity at OHCHR headquarters, as well as in the field. It will also begin consolidating and strengthening its capacity to rapidly deploy human rights staff in crisis situations or other situations where there is a need for human rights expertise on short notice. The proposed additional requirements provide for 39 additional staff as follows:

Geographic desks in Geneva

- *Three P-5 posts to head geographic units in Geneva*
- *Five P-4 posts to develop subregional and country strategies and programmes in the geographic units in Geneva*
- *Four P-3 posts, Desk Officers*
- *Eight General Service (Other level) posts to support Desk Officers*

Regional and country offices

- *Five P-5 posts to head regional offices*
- *Five P-4 posts to develop regional and country strategies and programmes*
- *Five P-3 posts to implement human rights activities, provide substantive expertise on thematic areas and develop partnerships with civil society*

Rapid response

- *One P-5 to coordinate the work of a rapid-response unit*
- *One P-4 to develop options for a rapid response to given situations by OHCHR and to participate in rapid-response missions*
- *One P-3 to undertake lessons learned and develop good practices with regard to rapid response*
- *One General Service (Other level) post to provide administrative support*

The Advisory Committee recommends establishment of the proposed additional posts for subprogramme 3. The Committee notes from the supplementary

information provided to it that OHCHR is in the process of conducting a comprehensive review of its current field presences. The Committee expects that the review will be completed in a timely and expeditious manner. With regard to rapid-response capacity, the Committee trusts that there will be coordination and information-sharing with regional and country offices.

51. Upon enquiry regarding the requirement under non-post costs of \$44,000 for external printing and \$800,000 under grants and contributions for subprogramme 3, the Advisory Committee was informed that provision for external printing related to the printing cost of human rights materials and publications relevant to the regions. The amount requested for grants and contributions would provide for a workshop in Geneva to analyse OHCHR experience in selected areas and develop good practices to improve the effectiveness of OHCHR field activities (\$75,000); subregional workshops organized by the proposed five new regional offices on human rights issues of relevance to the regions (\$629,000); and grants and fellowships to government institutions and civil society as part of the activities of the regional offices (\$96,000).

Subprogramme 4

Support for human rights thematic fact-finding procedures

52. Under subprogramme 4, the Secretary-General requests the conversion of six P-3 extrabudgetary posts to regular budget posts. **The Advisory Committee recommends approval of the conversions and is of the opinion that the option of conversion should be kept in mind when future proposals aimed at creating the desired balance between voluntary contributions and regular budget financing are being considered.**

Programme support

53. As noted in paragraphs 102 and 103 of the report of the Secretary-General, the expansion of OHCHR activities in Geneva and the field, as well as the increased rapid-response capability, will need to be supported by adequate administrative and logistical structures. The Secretary-General proposed five additional posts under programme support, as follows:

- *One P-5 to head the Information Technology Unit*
- *One P-5 to develop and coordinate staff training activities*
- *One P-4 Logistics and Procurement Officer to support field and rapid-response activities*
- *One P-3 to develop and maintain rosters of candidates for deployment to OHCHR field offices and meet other recruitment needs*
- *One P-3 to assess staff training needs and support the organization of staff training*

The Advisory Committee notes from the supplementary information provided to it that OHCHR has nine stand-alone field offices, of which six are managed by the United Nations Office for Project Services. Additional resources are required in order to provide adequate logistical and other operational support to the offices, and the P-4 is requested in that connection. **The Committee recommends approval of the proposed additional posts under programme support.**

Section 28A

Office of the Under-Secretary-General for Management

54. As indicated in paragraph 110 of the report of the Secretary-General, as part of the management reform and efforts to strengthen accountability, a number of measures are foreseen to prevent fraud, and a plan of action has been developed to deal with the problem in the Secretariat. The Secretary-General states his intention to establish an office of fraud prevention within the Office of the Under-Secretary-General for Management and proposes the following additional posts for that purpose:

- *One D-2, Chief Fraud Prevention Officer*
- *One D-1*
- *One P-5*
- *One P-4*
- *Three General Service (Other level) posts*

The Advisory Committee recognizes the importance of effective measures to deal with fraud and corruption; however, the Committee points out that the establishment of the office is not directly called for in the Summit Outcome. Furthermore, the Committee is concerned that some of the functions of the Office may overlap with activities of the Office of Internal Oversight Services, the Office of Human Resources Management, the Secretary-General's (internal) Oversight Committee, the Department of Peacekeeping Operations and the proposed ethics office. Therefore, the Committee considers it prudent to await the results of the comprehensive review of governance arrangements before establishing yet another unit to deal with such matters. Accordingly, pending the outcome of the review, the Committee recommends against approval of the seven additional staff proposed for the office, with a consequential proportionate reduction in operational requirements.

55. In paragraph 163 of the Summit Outcome, the General Assembly called upon the Secretary-General to submit proposals for implementing management reforms in the Secretariat for consideration and decision in the first quarter of 2006. In paragraph 105 of A/60/537, the Secretary-General states that a follow-up mechanism is in place to develop proposals for a full review of the budgetary, financial and human-resources policies, regulations and rules under which the Organization operates. An amount of \$132,500 is included in the revised estimates under consultants and experts to cover the cost of outside expertise to be employed for the review. **The Advisory Committee points out that reviewing budgetary, financial and human resources policies, regulations and rules, including the manner in which they are implemented, is a basic responsibility of management which would normally be carried out on an ongoing basis, within existing capacity. If external support is required, however, then the Committee recommends that the resources be absorbed from within the existing provision in section 28.**

56. In paragraph 164 (b) of the Summit Outcome, the Assembly requested the Secretary-General to undertake an independent external evaluation of the auditing and oversight system of the United Nations and the specialized agencies, to be

conducted within the context of the comprehensive review of governance arrangements. As noted in paragraph 107 of the report of the Secretary-General, the evaluation is expected to be completed during the first half of 2006; it will consist of a system-wide review of governance and oversight within the United Nations, funds, programmes and specialized agencies and an external evaluation of the Office of Internal Oversight Services. In this connection, the Committee notes from document A/60/568 that a proposal is made for the conduct of the independent external evaluation; the terms of reference for a comprehensive review of governance arrangements, including an independent external evaluation, are contained in annex II to that document. **Should the review and evaluation be approved by the General Assembly, and taking into account information provided to the Committee on the budgetary requirements, the Advisory Committee recommends approval of \$3,633,600 for the independent external evaluation.** It expects that the required practice for international bidding will be fully respected in the selection process for the external consultants. The Committee also recommends approval of \$126,000 for special projects related to fraud and corruption, as well as \$286,400 in general temporary assistance for backstopping the independent external evaluation and travel and per diem of \$177,300 for members of a steering committee overseeing the evaluation of the Office of Internal Oversight Services.

57. An amount of \$95,000 is estimated for travel of staff. The Advisory Committee recommends approval of \$30,000 for travel related to the independent external evaluation; however, the amount of \$65,000 for travel of staff of the office of fraud prevention should not be approved at this time for the reasons given in paragraph 54 above.

Section 28C

Office of Human Resources Management

58. An additional amount of \$794,600 is proposed under section 28C. Of this amount, \$225,200 is requested to undertake a review of the staff selection system, which was requested by the General Assembly in its resolution 59/266. **The Advisory Committee is of the view that it is important for the review to be completed in time for the General Assembly's consideration of human resources management issues at its sixty-first session (off-budget year); on this understanding, the Committee recommends approval of that amount.**

59. In paragraph 163 (c) of the Summit Outcome, the General Assembly requested the Secretary-General to submit a detailed proposal on the framework of a one-time staff buyout to improve personnel structure and quality. **The Advisory Committee does not object to a provision of \$27,800 for a consultant to design the staff buyout programme, but it should be provided from within the resources available under section 28 of the proposed programme budget.**

60. Included in the estimates for section 28C is an amount of \$541,600 relating to the costs of the ethics training programme, of which a non-recurrent provision of \$105,600 is for the development of the programme and \$436,000 for implementation of the programme Secretariat-wide. In this connection, the Advisory Committee notes from annex I, paragraph 21, of document A/60/568 that steps have already been taken to include ethics components in all of the Organization's training

programmes, that an Intranet-based module on integrity and ethics provisions for self-training called the Integrity Awareness Online Learning Programme was launched on 12 September 2005 and that a half-day ethics training programme entitled "Working together: ethics and integrity in our daily work" is currently being undertaken by all Department of Management staff and will be expanded to include all United Nations staff. **Under the circumstances, the Committee is not convinced that all of the amounts requested are necessary, since much of this work is already being undertaken. Moreover, the Committee notes the statement in the same report that the ethics office will work with the Office of Human Resources Management to provide ethics training and education (see A/60/568, annex I, para. 18). The Committee finds no evidence that the request for training resources under section 28C has been made on the basis of such coordination. Accordingly, the Committee does not recommend approval of the requested additional resources at this time and requests that the matter be included and further elaborated upon in the comprehensive follow-up report requested in paragraph 11 above.**

Section 28D Office of Central Support Services

61. Additional requirements of \$3,854,600 are estimated for section 28D to provide for the cost of office accommodation and office furniture for proposed new staff at Headquarters. **The reductions in staff recommended in the paragraphs above would lead to a consequential reduction of \$1,984,600 under support services.**

Section 28E Administration, Geneva

62. Additional requirements of \$1,607,000 are estimated for section 28E to provide for the cost of maintenance of premises, central communications requirements, supplies and office furniture and equipment for proposed new staff in Geneva, as well as the cost of additional services of 1 radio technician and 10 sound operators in support of the meetings of the Human Rights Council. **The reductions in staff and other recommendations in the paragraphs above would lead to a consequential reduction of \$397,300 under section 28E.**

Section 28F Administration, Vienna

63. Additional requirements of \$433,300 are estimated for section 28F to provide for the cost of office accommodation, supplies, office furniture and medical services for proposed new staff in Vienna. **The reductions in staff recommended in the paragraphs above would lead to a consequential reduction of \$57,700 under section 28F.**

Support account

64. By paragraph 92 of the Summit Outcome, the General Assembly endorsed the creation of an initial operating capability for a standing police capacity to provide coherent, effective and responsive start-up capability for the policing component of United Nations peacekeeping missions and to assist existing missions through the provision of advice and expertise. The Advisory Committee notes from the additional information provided to it that a working group was established in response to a request by the Special Committee on Peacekeeping Operations that the Secretariat develop the concept in conjunction with Member States.³ The efforts of the working group culminated in an informal concept paper, which puts forth the envisioned organizational and operational aspects of the standing police capacity concept and an initial operating capability of 27 personnel. The paper, which was agreed upon by the Department of Peacekeeping Operations and Member States of the working group as an informal guidance document, forms the basis of the proposal of the Secretary-General in document A/60/537. Estimated staffing requirements are as follows:

- *One D-1, Director*
- *Two P-5 posts, Team Leaders*
- *Two P-4 posts, Senior Police Reform Advisers*
- *One P-3, Police Reform Adviser/Project Manager*
- *One P-4, Special Assistant, executive organizational activities*
- *One P-4, Legal Affairs Adviser*
- *One P-4, Detentions Adviser*
- *One P-4 and one P-3, Transnational Crime Advisers*
- *One P-4 and one P-3, Community Policing Advisers*
- *One P-4 and one P-3, Investigations Advisers*
- *One P-4 and one P-3, Public Order Advisers*
- *Two P-4 posts, Training Coordinators*
- *One P-4, Training Adviser*
- *One P-4 and one P-3, Policy and Planning Advisers*
- *One P-4 and one P-3, Police Communication and Information Specialists*
- *One P-3, Police Analyst*

The Advisory Committee notes from the additional information provided to it that the working group and other interested Member States are expected to reconvene at a special workshop on the standing police capacity at the next session of the Special Committee on Peacekeeping Operations, in February 2006, in order to finalize the implementation of proposals for the standing police capacity. **Accordingly, the Committee recommends that requirements for the standing police capacity be reflected in the proposed budget for the support account for peacekeeping operations for 2006/07.**

III. Conclusion

65. In the paragraphs above, the Advisory Committee has made recommendations which would entail a total reduction of \$25,490,500 gross from the additional estimate of \$73,368,800 proposed by the Secretary-General. The reduction includes the related impact on operational and other non-staff costs of the Committee's recommendations on posts. This is in addition to what has been specifically recommended by the Committee on non-staff costs. The reduction can be broken down as follows:

<i>Budget section</i>	<i>Recommended adjustments</i>	
	<i>Posts</i>	<i>Resources</i>
	<i>(Thousands of United States dollars)</i>	
1. Overall policymaking, direction and coordination	(10)	(2 141.2)
2. General Assembly and Economic and Social Council affairs and conference management		(7 111.5)
3. Political affairs	(27)	(5 189.2)
11. United Nations Support for the New Partnership for Africa's Development	—	130.0
16. International drug control, crime prevention and criminal justice	(2)	(263.0)
23. Human rights	(8)	(2 838.7)
28A. Office of the Under-Secretary-General for Management	(7)	(1 398.9)
28C. Office of Human Resources Management		(569.4)
28D. Office of Central Support Services		(1 984.6)
28E. Administration, Geneva		(397.3)
28F. Administration, Vienna		(57.7)
35. Staff assessment*		(1 546.3)
Total, regular budget	(54)	(23 367.8)
Total, support account	(27)	(2 122.7)
Grand total	(81)	(25 490.5)

* To be offset by an equivalent amount under Income section 1.

66. In paragraph 161 of his report, the Secretary-General points out that the additional resource requirements for the biennium 2006-2007 "might normally be considered to be potentially subject to the provisions governing the contingency fund" (see General Assembly resolutions 41/213 and 42/211). By its resolution 59/278, the Assembly approved a contingency fund for the biennium 2006-2007 in the amount of \$27.2 million, as proposed by the Secretary-General. The estimated additional requirements of \$73.4 million relating to the 2005 World Summit Outcome thus far exceed the level of the contingency fund. Furthermore, upon enquiry, the Advisory Committee was informed that as at 8 December 2005 the potential charge against the contingency fund was approximately \$23.3 million.

67. Under the circumstances, the General Assembly may wish to consider the following policy options:

(a) To decide that procedures for the use and operation of the contingency fund shall be strictly applied, without exception. In this case, the Assembly would have to provide guidance to the Secretary-General on how the provisions of the contingency fund should be applied;

or

(b) To decide that revised estimates resulting from the Summit Outcome are to be considered outside the established procedures for the use and operation of the contingency fund, as proposed by the Secretary-General. In such a case, the Advisory Committee recommends that it be specifically stipulated that this is an exception which will not create a precedent for the consideration of the financial implications of future legislative actions.

Notes

¹ *Official Records of the General Assembly, Sixtieth Session, Supplement No. 7 and corrigendum (A/60/7 and Corr.1).*

² Broken down as follows: \$480,000 under consultants and experts for an advisory panel of experts for the report and for the commissioning of 12 to 15 resource papers; \$800,000 under contractual services for printing, translation, editing, layout and graphic design of report; and \$100,000 for materials for the launching of the report.

³ See *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 19 (A/59/19/Rev.1)*, para. 83.

Annex

Reports to be prepared pursuant to the 2005 World Summit Outcome (resolution 60/1) and the revised estimates (A/60/537)

<i>Paragraphs in the Summit Outcome</i>	<i>Reports to be delivered</i>	<i>Timing</i>
56 (f)	Establishment of a worldwide early warning system for all natural hazards (see also para. 44 of the Summit Outcome implementation report (A/60/430))	Late March 2006, to be submitted to the Third International Conference on Early Warning
74 and 75	Assessment of the capacity of the United Nations system and other international actors to prevent violent conflicts (see also A/60/430, para. 10)	2006
88	Proposals to the General Assembly and the Security Council, within their respective mandates, to strengthen the capacity of the United Nations system to assist States in combating terrorism and to enhance the coordination of United Nations activities in this regard (see also A/60/430, para. 13)	Early 2006, to be submitted to the General Assembly and the Security Council
92	Standing police capacity (PBI to General Assembly)	A/60/537 (PBI)
	Updates and recommendations on the way forward for standing police capacity and strategic reserves (see also A/60/430, para. 15)	January 2006, to be submitted to the Special Committee on Peacekeeping Operations
93	Implementation of the 10-year process of sustained capacity-building support for African regional and subregional organizations (see also A/60/430, para. 16)	2006, to be submitted to the United Nations/Regional Organizations High-level Meeting
134	Rule of law assistance unit (see also A/60/430, para. 24)	Early 2006
144	Panel of eminent persons will submit report on dialogue among cultures, civilizations and religions to the Secretary-General (see also A/60/430, para. 26)	End 2006
161 (d)	Details of an ethics office with independent status to be created	A/60/537 (PBI) and A/60/568

<i>Paragraphs in the Summit Outcome</i>	<i>Reports to be delivered</i>	<i>Timing</i>
163 (a) (c)	Proposals for implementing management reforms, including assessment of budgetary, financial, policies, regulations and rules (OPPBA); assessment of and human resources regulations and rules (OHRM); and design of one-time buyout (OHRM) (see also A/60/430, paras. 31 and 33)	First quarter of 2006
163 (b)	Review of mandates older than 5 years (see also A/60/430, para. 32)	First quarter of 2006
164	(a) Strengthening OIOS	A/60/537 (PBI)
	(b) Independent external evaluation of the auditing and oversight system of the United Nations, including the specialized agencies	A/60/537 (PBI); see also A/60/568
164	(c) Establishment of independent audit advisory committee	A/60/537 (PBI) and A/60/568
165	Initial proposals on a comprehensive approach to victims' assistance (see also A/60/430, para. 38)	By 31 December 2005
	Comprehensive report on victims' assistance (see also A/60/430, para. 38)	February 2006, to be submitted to the Special Committee on Peacekeeping Operations
166	Gender mainstreaming (see also A/60/430, para. 39)	July 2006, to be submitted to the Economic and Social Council
169	Measures to complement funding of the Central Emergency Revolving Fund (see also A/60/430, para. 42)	A/60/432

Note: This list does not include any statements of programme budget implications or revised estimates that may result from recommendations or decisions of the General Assembly on the above-mentioned reports.





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Agenda items 46, 119, 120, 124 and 136

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Strengthening of the United Nations system

Follow-up to the outcome of the Millennium Summit

Proposed programme budget for the biennium 2006-2007

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

2005 World Summit Outcome

Revised estimates to the proposed programme budget for the biennium 2006-2007 under sections 1, 2, 3, 11, 16, 23, 28A, 28C, 28D, 28E, 28F and 29

Revised estimates to the support account for peacekeeping operations for the period from 1 July 2005 to 30 June 2006

Fourteenth report of the Advisory Committee on Administrative and Budgetary Questions

Corrigendum

Paragraph 64

At the end of the list of posts *add*

- *Two General Service (Other level) posts*





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Fourteenth report of the Advisory Committee on Administrative and Budgetary Questions

Corrigendum

Paragraph 65

In the first sentence *replace* \$73,368,800 *with* \$75,491,500.





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Agenda item 124

Proposed programme budget for the biennium 2006-2007

Proposed programme budget for the biennium 2006-2007: Section 29, Office of Internal Oversight Services

Fifteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee recalls that at the time of its consideration of the proposed programme budget for the 2006-2007 biennium, it was informed that there would be a substantial revision to the proposal of the Office of Internal Oversight Services (OIOS) and that this new proposal would be submitted during the sixtieth session of the General Assembly, before the end of 2005 (see A/60/7, paras. IX.1 and 2). Accordingly, the Committee did not address the initial estimates at that time, but instead, indicated its readiness to take up the estimates as soon as they would be available. The Committee was subsequently informed that the Secretary-General is not yet in a position to present an updated budget proposal at this time. It is the intention of the Secretary-General to present proposals during a resumed part of the sixtieth session of the Assembly. These proposals will reflect the approach of the recently appointed Under-Secretary-General for Internal Oversight Services and will take into account the results of mandated reviews of OIOS. It is expected that the reviews will provide a full assessment of and recommendations concerning the independence of OIOS, its organizational structure, core functions, funding arrangements and desirable level of resources.

2. Under the circumstances, the Advisory Committee does not see much utility in providing detailed comments on an initial budget proposal that is soon to be replaced. It regrets that a replacement proposal was not available at the main part of the sixtieth session of the General Assembly. The Committee recommends that, pending a resubmission of the budget proposal for OIOS, resources equivalent to the revised level of the 2004-2005 provision, recosted for 2006-2007, be provided. This would involve a reduction of \$338,900 from the estimate under section 29 of the proposed programme budget for 2006-2007. The Committee further recommends that, as a consequence, any action requiring legislative approval not go forward until the new budget proposal has been acted upon.



3. The Advisory Committee also expects the new proposal to reflect a greatly improved results-based budgeting presentation. The Committee considers that OIOS should set the standard in this regard. For example, in a number of cases, the outputs and targets set are measured in terms of the rate of acceptance and implementation of OIOS recommendations by its client Departments. In some cases, the targets are set at 50 per cent, a very low level. In the view of the Committee, even though such targets can provide an indication of the relevance and applicability of the recommendations issued, their implementation rate is not directly under the control of OIOS. What should be measured are the specific actions to enforce or encourage the full implementation of OIOS recommendations. OIOS should also consistently follow established logical framework terminology; for example, meetings are typical outputs and not indicators of achievement as indicated in table 29.5, Sect. (b), of the budget proposal (A/60/6 (Sect. 29)).

4. In addition to what is in the proposed programme budget for OIOS, the Secretary-General has also presented revised estimates to the proposed programme budget for 2006-2007. It is proposed to establish 39 additional temporary posts. The additional resources requested would bring the total for the biennium to \$35,768,400, an increase of \$9,635,500 over the initial 2006-2007 budget proposal, including \$7,546,900 for posts and other staff costs, \$906,400 for consultants and experts, \$549,200 for travel of staff, \$342,000 for general operating expenses, \$9,000 for supplies and materials and \$282,000 for furniture and equipment. The Committee understands that these revised estimates relate only to interim measures for strengthening the capacity of OIOS in audit and investigations, based on the known gaps in audit coverage, the backlog in investigations, new General Assembly mandates and recommendations of the Board of Auditors.

5. Given the situation with regard to the status of the initial estimates and taking into account the fact that a comprehensive review of OIOS is now under way, the Advisory Committee recommends that an equivalent of general temporary assistance for 39 positions be authorized, pending the consideration of a comprehensive budget proposal as referred to above. Amounts requested for consultants should also be deferred.

Documentation

- Proposed programme budget for the biennium 2006-2007 (A/60/6 (Sect. 29))
- Report of the Secretary-General (A/60/537)
- 2005 World Summit Outcome
- Revised estimates to the proposed programme budget of the biennium 2006-2007 under sections 1, 2, 3, 11, 16, 23, 28A, 28C, 28D, 28E, 28F and 29
- Revised estimates to the support account for peacekeeping operation for the period from 1 July 2005 to 30 June 2006
- General Assembly resolutions 57/278, 59/264 and A/60/1.

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Sixtieth session

Agenda items 64 and 124

Advancement of women**Proposed programme budget for the biennium 2006-2007****Convention on the elimination of all forms of discrimination against women****Programme budget implications of draft resolution A/C.3/60/L.17****Sixteenth report of the Advisory Committee on Administrative and Budgetary Questions**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/60/12) in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/C.3/60/L.17, as orally revised, on the Convention on the Elimination of all Forms of Discrimination against Women.

2. As indicated in paragraph 2 of the Secretary-General's statement, under the terms of the draft resolution, the General Assembly would decide, *inter alia*, to authorize the Committee on the Elimination of Discrimination against Women:

(a) To hold three annual sessions of three weeks each, with a one-week pre-session working group for each session, effective from January 2006 as a temporary measure, instead of the two three-week annual sessions with a one-week pre-session working group for each session held under the current mandate; and

(b) To meet on an exceptional, temporary basis in 2006 and 2007 for up to seven days in parallel working groups during its third (July/August) annual session in 2006 and its first (January) and third (July/August) annual sessions in 2007 for the purpose of considering reports of States parties.

3. The Advisory Committee notes that these requests would give rise to additional requirements for the proposed programme budget for the biennium 2006-2007 of: \$739,600 under section 9, Economic and social affairs, including \$505,700 for travel, per diem and terminal costs for the members of the Committee on the Elimination of Discrimination against Women and \$233,900 for general temporary



assistance; \$8,689,800 under section 2, General Assembly and Economic and Social Council affairs and conference management, for conference servicing, interpretation and documentation; and \$89,900 under section 28D, Office of Central Support Services, for support services. Upon enquiry, the Advisory Committee was provided a detailed breakdown of the cost estimates for conference servicing under sections 2 and 28D.

4. The Secretary-General indicates in paragraph 5 of his statement that the additional session and parallel working groups would allow the Committee on the Elimination of Discrimination against Women to consider a greater number of reports of States parties and to effectively eliminate the accumulated backlog of reports awaiting consideration.

5. In its discussions with representatives of the Secretary-General, the Advisory Committee was briefed on the status of the backlog of the Committee on the Elimination of Discrimination against Women. Additional information on the process of reporting and the foreseen evolution of the backlog under both scenarios — two or three annual sessions of the Committee on the Elimination of Discrimination against Women — was also provided to the Advisory Committee on request. At the end of 2005, the reports of 65 States parties await consideration. While timely adherence to the reporting obligations according the terms of the Convention on the Elimination of Discrimination against Women would result in the annual submission of 45 reports, based on past trends it is expected that at least 25 new reports will be received each year.

6. At present, during each three-week session, the Committee on the Elimination of Discrimination against Women normally considers the reports of 8 States parties, a total of 16 per year. Under the new proposal for the 2006-2007 biennium, with an additional third session of the Committee each year and the establishment of two parallel working groups during the July/August 2006 and January and July/August 2007 sessions, it is expected that the Committee will be able to consider 31 reports in 2006 and 38 reports in 2007. This would lead to a gradual reduction of the backlog to 59 and 46 reports at the end of 2006 and 2007, respectively.

7. The Advisory Committee notes that accumulation of the backlog is a chronic problem and recalls that an extraordinary session of three weeks duration had also been requested in 2002 for the purpose of reducing the backlog of reports. At that time, the Advisory Committee had pointed out that, in its opinion, the reduction of the backlog would be only temporary and that the backlog could be eliminated only through the adaptation of the methods of work and reporting procedures of the Committee on the Elimination of Discrimination against Women and the establishment of reporting guidelines for streamlining the structure, content and length of the reports of States parties.

8. The Advisory Committee welcomes the efforts made to adapt the working procedures of the Committee on the Elimination of Discrimination against Women to accelerate the consideration of the reports of States parties, such as the meeting of that Committee in two parallel working groups, which effectively doubles the number of reports that can be considered during each session, from 8 to 16. However, the Advisory Committee points out that even with a third annual session, which is requested as an exceptional measure for the 2006-2007 biennium, the accumulated backlog would only temporarily be reduced from 65 reports at the end of 2005 to 46 at the end of 2007, and would

in all likelihood increase again after 2007, when the Committee on the Elimination of Discrimination against Women resumes its normal cycle of meetings twice a year. The Advisory Committee therefore recommends that the Committee on the Elimination of Discrimination against Women intensify its efforts to explore methods of reforming its working and reporting procedures in a manner that would allow it to complete its work under the terms of its current mandate. Any savings achieved from a possible streamlining of documentation requirements, particularly under conference services, should be reflected in the performance report. It should be noted in this regard that requirements for conference services are estimated at "full cost" and will be revisited.

9. The Advisory Committee notes that additional resources requested for general temporary assistance under section 9, Economic and social affairs, of the proposed budget for the biennium 2006-2007 amount to \$233,900, as noted in paragraph 7 of the Secretary-General's statement. It enquired whether the redeployment of existing resources within the Department of Economic and Social Affairs had been considered to support the additional workload of the Committee on the Elimination of Discrimination against Women and was informed that it was not possible to determine the Department's ability to absorb these costs at this stage since its budget proposals for the 2006-2007 biennium are currently under consideration by the General Assembly.

10. The Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should it adopt draft resolution A/C.3/60/L.17, as orally revised, additional resources in the total amount of \$9,519,300 would be required under the proposed programme budget for the biennium 2006-2007 as follows: section 9, Economic and social affairs (\$739,600); section 2, General Assembly and Economic and Social Council affairs and conference management (\$8,689,800); and section 28D, Office of Central Support Services (\$89,900). Appropriation of this amount for the biennium 2006-2007 would be considered by the General Assembly in accordance with the procedures for the use and operations of the contingency fund.

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Agenda item 124

Proposed programme budget for the biennium 2006-2007

Section 13**International Trade Centre UNCTAD/WTO****Seventeenth report of the Advisory Committee for Administrative and Budgetary Questions**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General containing the proposed programme budget for the International Trade Centre UNCTAD/WTO for 2006-2007 (A/60/6 (Sect. 13)/Add.1). During its consideration of the report, the Committee met with representatives of the Secretary-General at Headquarters and exchanged views with the representatives of the Centre in Geneva, through videoconferencing.
2. The Advisory Committee notes that the proposed budget is presented in accordance with the procedure and revised administrative arrangements for the International Trade Centre UNCTAD/WTO, as proposed by the Secretary-General in his report (A/59/405) and on the basis of the recommendations of the Committee (A/59/543), endorsed by the General Assembly in its resolution 59/276. The Committee recalls that, in accordance with the new procedure, a simplified fascicle is submitted to the Assembly and the World Trade Organization (WTO) General Council in the second quarter of the year preceding the forthcoming financial period, with a request that both bodies take note of the planned level of resources that will be requested. The issuance of the fascicle is followed by a full detailed proposal submitted in the fall for decision by both bodies.
3. In line with the above, a preliminary budget estimate, to accommodate the programme activities of the International Trade Centre (ITC) for the biennium 2006-2007, was submitted by the Secretary-General in the second quarter of 2005, which, combining the World Trade Organization and United Nations share, amounted to 65,540,400 Swiss francs (at 2004-2005 foreign exchange rates). Income was estimated at SwF 470,000 and the United Nations share of the costs at SwF 32,535,200 (equivalent to \$26,001,900, at the exchange rate of SwF 1.25 to \$1.00) (see A/60/6 (Sect. 13)). As explained in paragraph 13.5 of the budget fascicle, the proposed requirements for the biennium 2006-2007 represented a decrease of 0.8 per cent in real terms compared with the resources approved for the biennium 2004-2005; also included was a request for two new Professional posts (1 P-4 and 1 P-3) to reinforce the core activities of ITC. In its first report on the proposed programme budget for the biennium 2006-2007,¹ the Advisory Committee recommended that



the General Assembly take note of the resources proposed in the preliminary budget estimates.

4. The final and detailed budget proposal for ITC for the biennium 2006-2007 is contained in the proposed programme budget submission (A/60/6 (Sect. 13)/Add.1). The Advisory Committee notes from table 13.3 that the requirements of ITC for 2006-2007 are estimated at SwF 66,058,600, before recosting, or SwF 68,369,400, at 2006-2007 rates. The updated amount represents a decrease of SwF 13,500, or 0.02 per cent, compared with the approved budget for 2004-2005. The decrease is the net result of an increase of SwF 1,284,000 under post resources and a decrease of SwF 1,297,500 under non-post resources (see paras. 7 and 10 below).

5. The Advisory Committee notes that projected miscellaneous income remains at SwF 470,000, in line with the amount of \$471,000 estimated for 2004-2005. The biennial contribution of each parent organization (the United Nations and WTO) is SwF 33,949,700, or \$26,732,000 at the exchange rate of SwF 1.27 to \$1.00.

6. For the biennium 2006-2007, extrabudgetary resources, which represent 51.5 per cent of the total resources available to ITC, are estimated at SwF 70,066,900, or \$55,170,800 (at the exchange rate of SwF 1.27 to \$1.00), as compared with the amount of SwF 69,079,100 approved for 2004-2005 (table 13.6). As indicated in paragraph 13.16, extrabudgetary resources complement the regular budget provisions and enable ITC to implement technical cooperation projects using the tools and knowledge base developed with regular budget resources.

7. As shown in table 13.4 (A/60/6 (Sect. 13)/Add.1), the proposed number of regular budget posts for ITC for 2006-2007 is 156 (80 Professional and 76 General Service), compared with 153 posts authorized for 2004-2005 (77 Professional and 76 General Service). The Advisory Committee notes that the post-related requirements (SwF 50,208,700) reflect an increase amounting to SwF 1,284,000, or 2.6 per cent, over the approved budget for 2004-2005, resulting from the delayed impact of the four Professional posts (2 P-4, 1 P-3, 1 P-2) and three General Service posts (Other level) approved for the biennium 2004-2005, and the proposed creation of three Professional posts (1 P-5, 1 P-4 and 1 P-3) for 2006-2007.

8. The Advisory Committee's recommendations on posts are as follows:

(a) One P-5 post for a Programme Officer (Division of Technical Cooperation Coordination) to be responsible for coordinating and providing substantive inputs to ITC activities towards the achievement of the Millennium Development Goals, in particular Goals 1 and 8, as well as coordinating the mainstreaming of gender issues in ITC programmes (para. 13.22). **The Committee recommends approval of the post;**

(b) One P-4 post for a Senior Officer (strategy and competitiveness) in the Office of the Executive Director to support, from the technical and operational perspectives, the expanding ITC programme in export strategy design and management (para. 13.21). The Advisory Committee was informed that demand for more regular and specialized advisory support and specialized training far exceeds current capacity (one P-5 and one General Service post) and that it is anticipated that this high level of demand will be maintained in the long term. **The Committee recommends approval of the post;**

(c) One P-3 post for a Trade Promotion Officer (Division of Technical Cooperation Coordination, Office for Arab States, Europe and the Commonwealth of Independent States) to reinforce ITC core activities in the area of needs

assessment, capacity-building and competitiveness enhancement tools for economies in transition (para. 13.22). **In view of the increasing demand for new technical cooperation approaches, tailor-made to the specific needs of countries with economies in transition and insufficient existing capacity (1 P-4 and one P-3) to cover 53 countries, the Advisory Committee recommends approval of the post.**

9. The Advisory Committee sought clarification as to the high ratio of General Service to Professional posts (76 General Service and 80 Professional posts are proposed for 2006-2007). In this connection, the Committee was informed that the ratio of Professional to General Service category posts had increased from 0.87 Professionals to 1 General Service in 2000-2001 to 1.05 Professionals to 1 General Service for 2006-2007, with many of the General Service category posts performing support functions other than secretarial work, such as drivers, cleaning and maintenance staff.

10. The decrease under non-post resources of SwF 1,297,500 (7.6 per cent) is mostly the result of decreases under general operating expenses (SwF 352,300), in view of a reduction in rent cost (SwF 445,800) resulting from the decision of the Swiss authorities to align the rent with the expenditure pattern, as well as under furniture and equipment (SwF 1,082,100), in view of the decrease in the one-time provision (SwF 1,320,500) for the acquisition of security equipment related to the strengthening of the security management system adopted by the General Assembly in its resolution 59/276.

11. The Advisory Committee was informed that ITC estimates for 2006-2007 were reviewed and endorsed by the WTO Committee on Budget, Finance and Administration. On its recommendation, the WTO General Council approved the ITC budget for 2006-2007 on 1 December 2005.

12. While noting that ITC would continue to prepare two budget fascicles for review by both parent organizations (the United Nations and the WTO), the Advisory Committee recalls encouraging ITC to endeavour to harmonize the two budget presentations, where possible (A/59/543, para. 7). As indicated in table 13.7 (A/60/6 (Sect. 13)/Add.1), the new procedures are being introduced for the 2006-2007 budget period and, based on this experience, consultations will take place to determine whether further harmonization can be introduced. The Committee was informed that although the budgets are presented in Swiss francs for both secretariats, there are still variances in the presentation of the work of the different divisions and in the reference to outputs, as well as in the object classes and budget codes. **Information on further efforts and progress achieved in harmonizing should therefore be reported in the context of the next budget submission, along with an evaluation on how the new procedures are working and have simplified and streamlined the budget presentation procedures.**

13. **The Advisory Committee recommends that the General Assembly approve an amount of SwF 68,369,400 at 2006-2007 rates under section 13, International Trade Centre UNCTAD/WTO, of the proposed programme budget for the biennium 2006-2007.**

Notes

¹ Official Records of the General Assembly, Sixtieth Session, Supplement No. 7 (A/60/7).

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Agenda items 124 and 71 (c)

Proposed programme budget for the biennium 2006-2007

Human rights questions: human rights situations and reports of special rapporteurs and representatives

Situation of human rights in Myanmar**Programme budget implications of draft resolution A/C.3/60/L.53****Eighteenth report of the Advisory Committee on Administrative and Budgetary Questions**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/C.3/60/L.53, on the situation of human rights in Myanmar (A/C.5/60/17).

2. As indicated in paragraph 2 of the Secretary-General's statement, under the terms of operative paragraph 5 of draft resolution A/C.3/60/L.53, the General Assembly would request the Secretary-General (a) to continue to provide his good offices and to pursue his discussions on the situation of human rights and the restoration of democracy with the Government and the people of Myanmar, including all relevant parties to the national reconciliation process in Myanmar and to offer technical assistance to the Government in that regard; (b) to give all necessary assistance to enable his Special Envoy for Myanmar and the Special Rapporteur of the Commission on Human Rights on the situation of human rights in Myanmar to discharge their mandate fully and effectively; and (c) to report to the General Assembly at its sixty-first session and to the Commission on Human Rights at its sixty-second session on the progress made in the implementation of the resolution.

3. The activities related to the implementation of the requests are described in paragraphs 4 to 6 of the statement of the Secretary-General. Paragraphs 7 to 9 contain information on the estimated resource requirements. The Advisory Committee notes that the Secretary-General estimates that the costs of continuing



the good-offices efforts through his Special Envoy for Myanmar for a one-year period (1 January to 31 December 2006) amount to \$254,000 gross (\$210,400 net).

4. A summary statement of the costs was provided to the Advisory Committee upon request. Resource requirements include salaries for the Special Envoy, at the rate applicable on a when-actually-employed basis, and for a General Service (Local level) staff member to provide support to the Special Envoy as and when required (\$108,000). It also includes provision for travel of the Special Envoy (\$50,900), the services of a consultant (\$46,200), commercial communication costs (\$2,300) and miscellaneous services in support of the mission (\$3,000). **The Committee trusts that efforts to achieve savings will be made wherever possible and the results reflected in the performance report.**

5. The request contained in the last part of paragraph 5 (a) of the draft resolution concerning technical assistance to the Government would be accommodated within the technical cooperation activities of the Office of the United Nations High Commissioner for Human Rights. The request in paragraph 5 (b) of the draft resolution regarding assistance to the Special Rapporteur of the Commission on Human Rights does not require additional resources, since provision for this type of activities, considered to be of a perennial nature, is already included in the programme budget for 2004-2005 and the proposed programme budget for 2006-2007.

6. **Bearing in mind what is stated in paragraphs 10 and 11 of the statement of the Secretary-General, the Fifth Committee may wish to inform the General Assembly that, should it adopt draft resolution A/C.3/60/L.53, a total of up to \$254,000 gross (\$210,400 net) would be required for the period from 1 January to 31 December 2006 for the continuation of the good offices of the Secretary-General relating to the situation in Myanmar. These requirements would be charged against the provision of \$355,949,300 proposed for special political missions under section 3, Political affairs, of the proposed programme budget for the biennium 2006-2007 (A/60/6 (Sect. 3)).**



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Agenda items 124 and 67

Proposed programme budget for the biennium 2006-2007

Promotion and protection of the rights of children

Rights of the Child

Programme budget implications of draft resolution A/C.3/60/L.22/Rev.1

Nineteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/C.3/60/L.22/Rev.1 on the rights of the child (A/C.5/60/15).
2. Under the terms of paragraphs 35 and 43 (b) of draft resolution A/C.3/60/L.22/Rev.1, the General Assembly would recommend that the Secretary-General extend the mandate of the Special Representative of the Secretary-General for Children and Armed Conflict for a further period of three years; and request the Special Representative to continue to submit reports to the General Assembly and the Commission on Human Rights.
3. Paragraphs 3 to 10 of the statement of the Secretary-General provide the background of the Office of the Special Representative. The Advisory Committee recalls that the General Assembly, in its resolution 51/77 of 12 December 1996, recommended that the Secretary-General appoint for a period of three years a Special Representative on the impact of armed conflict on children, and that a Special Representative was appointed in September 1997. The mandate of the Special Representative was extended by the General Assembly for subsequent three-year periods in its resolutions 54/149 and 57/190 of 17 December 1999 and 18 December 2002, respectively. In paragraph 3 of the latter resolution, the Assembly also requested a comprehensive assessment of the scope and effectiveness of the United Nations system response, including recommendations for strengthening, mainstreaming, integrating and sustaining those activities.



4. Since its inception, the Office of the Special Representative has been funded through voluntary contributions. The Committee recalls that the General Assembly, in its resolution 58/245 of 23 December 2003, decided that the activities under the mandate of that Office would be supported through regular budget funding. The Fifth Committee, having considered the statement of the Secretary-General, informed the General Assembly before the adoption of resolution 58/245 that, should it adopt the draft resolution, any appropriations necessary would be considered in the context of the report requested in resolution 57/190 (see A/58/652). In response, the report of the Secretary-General on the comprehensive assessment of the United Nations system response to children affected by armed conflict was issued on 3 September 2004 (A/59/331).

5. The Advisory Committee notes from paragraph 11 of the statement of the Secretary-General that the recommendations in paragraphs 35 and 43 (b) of draft resolution A/C.3/60/L.22/Rev.1 would reflect the continuation of the mandate of the Special Representative, as described in paragraphs 36 and 37 of resolution 51/77 and would require that necessary support be provided for effective performance of the mandate of the Office. In this regard, the Secretary-General states that necessary resources should be identified in order to further maintain in 2006, 2007 and 2008 the Office of the Special Representative, which has been responsible, *inter alia*, for the preparation of the reports for the past several years.

6. The Committee notes from the statement of the Secretary-General (para. 12 and table) that resource requirements for the activities of the Office of the Special Representative of the Secretary-General for Children and Armed Conflict for the biennium 2006-2007 are estimated at \$3,499,900 gross (\$3,042,300 net). In accordance with the streamlined structure specified in the report of the Secretary-General on the comprehensive assessment, the Office would comprise eight temporary posts (1 Under-Secretary-General, 1 P-5, 2 P-4, 1 P-3 and 3 General Service). The cost of these posts would amount to \$2,318,100 net of staff assessment, and non-post resource requirements would amount to \$724,200. A break-down of non-post requirements was provided upon enquiry as follows: other staff costs (\$110,000), consultants and experts (\$156,000), contractual services (\$60,000), general operating expenses (\$46,800), hospitality (\$4,000) and supplies (\$10,000) and travel of staff (\$337,400). The latter would be comprised of travel of the Special Representative (\$220,000) and travel of programme officers (\$117,400). While the Committee is not in a position to recommend a reduction in these estimates, it is of the opinion that the projection of non-post requirements is on the high side, especially as concerns overtime (in view of the number of General Service posts requested) and travel of staff. More precise requirements will no doubt be formulated once a new Special Representative assumes office. In this regard, a delay in appointment could also impact the requirements for travel. Under the circumstances, savings should be reflected in the performance report.

7. The Committee notes, furthermore, from paragraph 13 of the statement of the Secretary-General that with regard to the Trust Fund established to receive voluntary funds to support the activities of the Office, it is estimated that the balance of unearmarked funds as at 31 December 2005 would amount to \$152,100. The Committee also notes from the Statement that these unearmarked resources could be used to cover some of the operational requirements of the Office in the biennium 2006-2007. Therefore, the additional resource requirements for the

biennium 2006-2007 of the Office would amount to \$3,347,800 gross (\$2,890,200 net). Furthermore, the Committee was informed that the trust fund would remain open although the Office had to date not received any voluntary contributions during 2005. Upon enquiry, the Committee was informed that there is an earmarked balance of \$490,140 in the Trust Fund, consisting of \$194,432 (Belgium, earmarked for the Great Lakes); \$177,821 (Norway, earmarked for child conflict in Afghanistan), \$25,000 (Starr Foundation, earmarked for an advertising campaign to connect children worldwide affected by war); and \$92,887 (Hewlett Foundation, earmarked to strengthen capacity for advocacy and outreach to communities outside the United Nations system (radio programmes)).

8. The Advisory Committee notes from paragraph 16 of the statement of the Secretary-General that there are no resources provided under the proposed programme budget for the biennium 2006-2007 for the support of the operations of the Office in the biennium 2006-2007. Any amount that the General Assembly may decide to allocate to support the Office of the Special Representative would need to be provided through an additional appropriation for the biennium 2006-2007 in the context of operations of the contingency fund.

9. The Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should it adopt draft resolution A/C.3/60/L.22/Rev.1, additional requirements of up to \$3,347,800 gross (\$2,890,200 net) would arise under section 1, Overall policymaking, direction and coordination (\$2,890,200), and section 35, Staff assessment (\$457,600), to be offset by the same amount under Income section 1, Income from staff assessment, of the proposed programme budget for the biennium 2006-2007. These appropriations for the biennium 2006-2007 would be considered by the General Assembly in accordance with the procedures for the use and operation of the contingency fund.

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Agenda items 124 and 97 (d)

Proposed programme budget for the biennium 2006-2007**General and complete disarmament: transparency in armaments****Transparency in armaments****Programme budget implications of draft resolution
A/C.1/60/L.50/Rev.1****Twentieth report of the Advisory Committee on Administrative
and Budgetary Questions**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/C.1/60/L.50/Rev.1 on transparency in armaments (A/C.5/60/14).

2. As indicated in paragraph 2 of the statement of the Secretary-General, operative paragraphs 4 (b), 5 and 8 of the draft resolution concern the preparation of a report on the continuing operation of the United Nations Register of Conventional Arms and its further development. The report would be prepared within available resources with the assistance of a group of governmental experts, who would be chosen on the basis of equitable geographical representation and which would be convened in 2006. The General Assembly would also request the Secretary-General to implement the recommendations contained in his 2000 and 2003 reports on the continuing operation of the Register and its further development and to ensure that sufficient resources are made available for the Secretariat to operate and maintain the Register. The Assembly would further request the Secretary-General to report to it at its sixty-first session on progress made in implementing the resolution.

3. The activities related to the implementation of the requests are described in paragraphs 4 to 6 of the statement; paragraphs 8 to 12 contain information on the estimated resource requirements. The total additional requirements for the implementation of the programme of work amount to \$1,078,600, as outlined below.



4. The Secretary-General estimates the costs of conference-servicing requirements relating to the request in paragraph 4 (b) of the draft resolution at \$679,500, including: \$654,800 under section 2, General Assembly and Economic and Social Council affairs and conference management, of the proposed programme budget for the biennium 2006-2007 for the three sessions of the Group of Governmental Experts on the continuing operation of the United Nations Register of Conventional Arms and its further development; \$21,600 for related common support services requirements under section 28D, Office of Central Support Services; and \$3,100 under section 28E, Administration, Geneva. Non-conference-servicing requirements are estimated at \$399,100, as follows: \$395,400 under section 4, Disarmament; and \$3,700 under section 35, Staff assessment, to be offset by an equivalent amount under Income section 1, Income from staff assessment.

5. The Secretary-General explains that, as the substantive secretariat of the Group of Governmental Experts, the Department for Disarmament Affairs would be required to prepare, organize and service the Group, to provide expertise in addressing the issues to be negotiated within the Group and to prepare the final report and other documentation. The Secretary-General indicates that staff resources under section 4 of the proposed programme budget for the biennium 2006-2007 are fully occupied with its mandated activities. It is therefore estimated that, under non-conference-servicing requirements, an amount of \$27,800 would be required for two work-months of consultancy services and an amount of \$17,600 would be required for three work-months of general temporary assistance from secretariat support services for the Department for Disarmament Affairs as a consequence of the request contained in operative paragraph 4 (b) of the draft resolution. The requirements relating to operative paragraph 4 (b) also include an amount of \$350,000 for travel of experts.

6. The Advisory Committee is not convinced that a full two work-months of consultancy services would be required. In any case, bearing in mind the request of the General Assembly that the report be prepared "within available resources", as well as the level of resources already proposed under section 4 of the proposed programme budget for the biennium 2006-2007, the Committee recommends against inclusion of an additional \$27,800 for consultancy services and an additional \$17,600 for general temporary assistance. As for travel, the Committee was informed that the Secretariat envisages travel requirements for from 22 to 24 experts. However, there is no firm basis for this projection. Similarly no firm basis has been given as to the projection of the number of sessions required or their duration. The Committee would therefore expect savings in this regard, which should be reflected in the performance report.

7. Implementation of the requirements contained in operative paragraphs 5 and 8 of draft resolution A/C.1/60/L.50/Rev.1 would be carried out within the resources provided under section 4, Disarmament, of the proposed programme budget for the biennium 2006-2007.

8. The Advisory Committee notes from paragraph 13 of the statement that no provision has been made under the proposed programme budget for the biennium 2006-2007 in relation to the conference servicing activities that would be requested under operative paragraph 4 (b). The Committee was informed that this was due to the fact that the resolution was drafted some time after the proposed programme budget was prepared. The Secretary-General also explains that it is not possible to

identify activities within section 4, Disarmament, of the proposed programme budget that could be terminated, deferred, curtailed or modified during the biennium.

9. The Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should it adopt draft resolution A/C.1/60/L.50/Rev.1, additional requirements of up to \$1,033,200 would arise under the proposed programme budget for the biennium 2006-2007 as follows: section 2, General Assembly and Economic and Social Council affairs and conference management (\$654,800), section 4, Disarmament (\$350,000), section 28D, Office of Central Support Services (\$21,600), section 28E, Administration, Geneva (\$3,100) and section 35, Staff assessment (\$3,700), to be offset by the same amount under Income section 1, Income from staff assessment. Any additional appropriations for the biennium 2006-2007 would be considered by the Assembly in accordance with the procedures for the use and operation of the contingency fund.

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Agenda item 123

Programme budget for the biennium 2004-2005

Financial situation of the International Research and Training Institute for the Advancement of Women**Programme budget implications of draft resolution
A/C.3/60/L.15/Rev.1****Twenty-first report of the Advisory Committee on
Administrative and Budgetary Questions**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financial situation of the International Research and Training Institute for the Advancement of Women (INSTRAW) (A/60/366) and the statement submitted by the Secretary-General (A/C.5/60/16) in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/C.3/60/L.15/Rev.1, concerning the future operation of INSTRAW. During its consideration of these reports, the Committee met with the Director of INSTRAW and representatives of the Secretary-General, who provided clarifications.

I. Future operation of the International Research and Training Institute for the Advancement of Women

2. The report of the Secretary-General on the financial situation of INSTRAW was submitted in response to the recommendation of the Fifth Committee to the General Assembly that the Secretary-General report to the Assembly on the overall financial situation of the Institute early during the main part of its sixtieth session (see A/59/641). The Fifth Committee also informed the Assembly that, should it adopt draft resolution A/C.3/59/L.26, additional requirements of \$1,092,400 would arise under section 9, Economic and social affairs, of the programme budget for the biennium 2004-2005 and that the Assembly would be requested to appropriate that amount against the contingency fund, to be used should there be a shortage of voluntary contributions for the functioning of the Institute in 2005. In paragraph 8 of its resolution 59/260, the Assembly decided "to provide its full support to the



current efforts to revitalize the Institute and, in this regard, to ensure that the Institute will be able to continue functioning for a period of at least one year".

3. From the report of the Secretary-General, the Advisory Committee notes that the total income available to INSTRAW during 2005 amounts to \$1,655,860 including: (a) a net balance of 2004 operations of \$413,475 due to reduced expenditures and additional voluntary contributions; (b) 50 per cent of the subvention of \$1,092,400 approved by the General Assembly for 2005; (c) voluntary contributions from Governments in the amount of \$691,295 as at 31 August 2005; and (d) miscellaneous income of \$4,890. Total expenditure for 2005 is projected at \$1,183,700, with a closing balance of \$472,160 in the INSTRAW trust fund at the end of 2005.

4. The Advisory Committee notes that the financial situation of INSTRAW has improved considerably during 2005. From the additional information provided to it, the Committee notes that paid voluntary contributions increased from \$135,845 in 2004 to \$768,573 as of 30 November 2005, representing the largest amount contributed since 1997. In addition, the Institute raised \$716,025 in extrabudgetary funds earmarked for projects. Project-related funding had dwindled considerably since 1990, reduced to zero during several years, including 2004. A table of the flow of voluntary contributions to INSTRAW between 1987 and 2003 is provided in the annex.

5. The Advisory Committee discussed the INSTRAW strategy for ensuring its viability and financial sustainability with the Director of the Institute. The Committee was provided with detailed additional information on a variety of subjects, such as the Institute's strategic framework for the 2004-2007 period, its cooperation with related agencies such as the United Nations Development Fund for Women, a list of its project proposals and its fund-raising strategy.

6. The Advisory Committee was informed that the Institute had selected four strategic areas on which to focus its efforts and resources, namely, applied research, sharing and dissemination of information, capacity-building and its own institutional development. The priority areas of its research programme concerned migration-related issues such as remittances, information and communication technologies and women's empowerment, gender, peace and security issues and women's political participation. With respect to information-sharing, the Committee was informed that the number of resources available online had been considerably expanded and developed in a number of areas, including gender mainstreaming, and that visits to the INSTRAW website had more than doubled.

7. The Advisory Committee was informed that an audit of INSTRAW had been conducted by the Office of Internal Oversight Services in December 2004 and that the outcome of the audit exercise (A/60/281) was received by the Institute in August 2005. The Committee was further informed that an audit of the Institute's operations, including programme management, financial management, use of consultants and follow-up actions on previous audit recommendations, had been conducted by the Board of Auditors during the period from 29 August to 9 September 2005 and the findings of that audit had not yet been received.

8. **The Advisory Committee fully recognizes the difficulties faced by INSTRAW in past years as indicated in its previous report (see A/59/579, para. 3). It commends the Director of INSTRAW for the actions undertaken to**

revitalize the Institute and the results obtained. However, the Committee notes that INSTRAW continues to rely on United Nations regular budget funding for most of its core requirements. Furthermore, the Committee was informed that contributions made to the INSTRAW trust fund in 2005 amounted to \$768,573 as at 30 November 2005. The Committee stresses the importance of further intensifying fund-raising activities with a view to achieving the widest possible donor base to ensure financial sustainability. The Committee urges INSTRAW to continue to carefully examine its role within the United Nations family, especially as concerns the work of other entities specializing in the promotion of gender equality. In addition, the Department of Economic and Social Affairs and others should consider how they may best benefit from the involvement of INSTRAW. In this connection, the Committee draws attention to the role of the Special Adviser of the Secretary-General on Gender Issues and Advancement of Women, who chairs the Inter-Agency Network on Women and Gender Equality. INSTRAW should continue to develop and refine its strategic objectives and programme of work in close cooperation with these entities and others in order to avoid any duplication with regard to research on and training in gender issues.

II. Programme budget implications of draft resolution A/C.3/60/L.15/Rev.1

9. Draft resolution A/C.3/60/L.15/Rev.1, on the future operation of INSTRAW, by which the General Assembly would decide to provide its full support to the current efforts to revitalize INSTRAW and to provide it with the requisite funds to enable it to carry out its core functions for the 2006-2007 biennium, was adopted by the Third Committee at its 43rd meeting, on 18 November 2005. The Advisory Committee notes that the Third Committee had before it a letter dated 7 November 2005 from the Permanent Representative of Spain to the President of the General Assembly (A/C.3/60/11) in connection with its consideration of the draft resolution.

10. The statement of the Secretary-General on the programme budget implications of draft resolution A/C.3/60/L.15/Rev.1 indicates in paragraphs 8 to 11 that the resource requirements for 2006 and 2007 are estimated at \$1,314,352 per annum. According to current estimates, taking into account the projected fund balance at the end of 2005 and reserves to be set aside, the estimated shortfall of resources required would amount to approximately \$1,042,200 for 2006. The Advisory Committee was informed that as at 30 November 2005 additional pledges to the INSTRAW trust fund for 2006 amount to \$17,100. At this stage, it is not possible to determine precisely the resources the Institute will receive from voluntary contributions to finance its 2007 requirements and to estimate the level of the regular budget subvention. The Committee understands that, should additional voluntary funds become available, they would be used to offset the amount of the regular budgetary requirement.

11. The Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should it adopt draft resolution A/C.3/60/L.15/Rev.1, additional requirements of up to \$1,042,200 for the biennium 2006-2007 would arise under section 9, Economic and social affairs, of the proposed programme budget for the biennium 2006-2007 in order to finance the requirements of the Institute. The appropriation of this amount

would be considered by the General Assembly in accordance with the procedures for the use and operations of the contingency fund.

12. The Advisory Committee notes the indication in paragraph 18 of the Secretary-General's statement that "the provision of additional funds to finance operations of the Institute in 2007 would imply an annual subvention to the Institute, which is subject to the express decision of the General Assembly in this regard and to the amendment of article VIII of the statute of the Institute".

Annex

Flow of voluntary contributions to INSTRAW (1987-2003)

Year	Core (Trust fund)	Percentage difference	Projects (Earmarked)	Percentage difference
	(United States dollars)		(United States dollars)	
1987	697 685		509 774	
1988	1 592 040	128	91 500	-82
1989	1 105 151	-31	330 800	262
1990	48 492	-96	941 773	185
1991	1 845 489	3 706	265 073	-72
1992	1 920 185	4		
1993	1 570 201	-18		
1994	1 501 886	-4	226 839	-14
1995	1 323 093	-12		
1996	1 118 265	-15		
1997	718 009	-36		
1998	804 143	12		
1999	540 188	-33	15 000	-93
2000	523 980	-3		
2001	347 396	-34	50 000	233
2002	107 689	-69		
2003	377 657	251	6 154	-88



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Agenda item 124

Proposed programme budget for the biennium 2006-2007

Construction of additional office facilities at the Economic Commission for Africa in Addis Ababa

Twenty-second report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa (ECA) in Addis Ababa (A/60/532). During its consideration of the report, the Committee met with representatives of the Secretary-General who provided additional information and clarification.

2. The report of the Secretary-General was submitted pursuant to the request in General Assembly resolution 56/270 of 27 March 2002 that the Secretary-General report on an annual basis on progress made in the construction of additional office facilities at ECA. The Committee notes that the report, besides information on progress made, contains an update on actions taken to implement the project since the Secretary-General's previous report (A/59/444), information on the final cost estimates submitted by the design consultants and an update of the analysis of office space requirements for the ECA secretariat and the agencies, funds, programmes and other entities of the United Nations system located in Addis Ababa, along with recommendations to address the problem of office space shortage at ECA.

3. In its previous report on this matter (A/59/572), the Committee referred to the allocation of additional land by the host Government, which increased the area of the complex from the initial 21,066 square metres to 27,260 square metres, as well as to the repositioning of the new building, re-routing of public roads and closure of parking lots, thus allowing the ECA compound to be enclosed within secure boundaries. The Committee also referred to the reported delays in the original implementation schedule (see A/56/672), resulting from the need to rebid the design component of the project and to negotiate with the host country on measures required to mitigate security risks in compliance with the minimum operating security standards guidelines. The revised schedule provided to the Committee at



the time indicated that construction would start in June 2005 and be completed by May 2007, that is 20 months after the original targeted date.

4. Paragraphs 6 and 7 of the Secretary-General's report (A/60/532), describe how, during the course of the redesign exercise, further geotechnical testing was carried out, the results of which made evident the need for reinforcement of the building foundation in the new site, leading to the subsequent revision of the overall design and structure. The revised final construction drawings and technical specifications were completed by the architects and submitted for review to the United Nations on 12 September 2005. The Committee notes that the revised plan not only incorporates the structure and foundation requirements resulting from the geotechnical study, but also incorporates the revised security and safety design features in the light of the above-mentioned security guidelines, maximizes the ratio of office space to common space (as recommended by the Advisory Committee in its report A/56/711) and aligns the use of office space with that developed in the context of the capital master plan (8.57 square metres per staff member instead of the previous standard of 9.11 square metres) (see also A/60/532, para. 9). Moreover, the new building plan could accommodate 422 staff, instead of the 380 estimated in the initial report of the Secretary-General (A/56/672).

5. In this connection, the report of the Secretary-General indicates that, pursuant to the recommendation of the Committee (A/59/572, para. 10) endorsed by the General Assembly in its decision 59/555, ECA conducted a survey to determine the space requirements of agencies, funds and programmes located outside the ECA compound but interested in relocating to the compound. The survey showed that 270 staff from outside locations would have to be accommodated within the complex, compared to the initially estimated number of 159 (A/60/532, table 1). **Consistent with its previous recommendation, the Committee trusts that priority-oriented planning will be used to determine the actual allocation of space.**

6. The report also provides an update of the total number of staff requiring office space, which amounted to 574 (compared to the original 380 staff projected in 2001), including provision for swing space and for 20 per cent marginal growth expected over the next 10 to 15 years (ibid., table 2). Taking into account the possibility of accommodating 422 staff in the revised plan (see para. 4 above), there is a shortage of office space for 152 staff. The Secretary-General is therefore proposing to expand the building by two additional floors (for a total additional space of 2,780 square metres, which could accommodate 188 additional staff). This would expand the building to a total of 9,550 square metres and allow accommodation for 610 staff (422 on the original four floors and 188 on the additional two floors). In addition, as the two additional floors would provide office space for organizations of the United Nations system located outside the complex, it is estimated that additional rental income of \$295,000 a year would become available (A/60/532, para. 21). The Committee was informed that the rental rate of \$106 per square metre per year was based on a survey conducted to see what was paid by agencies outside the compound; relocation to the ECA complex was therefore an attractive option because of the inclusion in the rental cost of utilities, conference services, security, catering, travel services and so on. **The Committee trusts that this rate will be kept under review, so that it remains realistic vis à vis commercial rates, and that arrangements with private entities will be limited to some provision of services to other occupants of the compound.**

7. The Committee requested clarification as to the status of office space of the United Nations Mission in Ethiopia and Eritrea, which is currently located outside the compound. The Committee was informed that, in view of uncertainties over the future of its mandate, the Mission had not requested to be included in the planned space allocation. However, if the Mission were to express the desire to be included within the compound when construction is completed, it would be accommodated within the planned swing space mentioned in paragraph 6 above.

8. The report provides a breakdown of the revised cost plan (A/60/532, table 3), which amounts to \$8,992,700 (including the estimated provision for inflation and currency fluctuation), as compared to the initial budget of \$7,711,800 approved by the General Assembly in its resolution 56/270. The additional costs of \$3,671,500 are the sum of \$1,280,900 for additional costs relating to the original project and \$2,390,600 for the cost of the construction of the two additional floors mentioned in paragraph 6 above (see also A/60/532, para. 20). The Committee recalls that the ECA construction project was to be financed within the available balance of the construction-in-progress account, in accordance with General Assembly resolution 56/270. An amount of \$7,711,800 has therefore already been committed to the ECA construction project.

9. The cost plan, however, does not include ECA requirements estimated at \$417,300 for the access control systems or for the information and technology network and telephone equipment costs provisionally estimated at \$1,100,000. These resources would, respectively, be included in the overall resource requirements for the access control project to be presented to the General Assembly during the resumed part of its sixtieth session and in the proposed programme budget for the biennium 2008-2009 under the section entitled "Construction, alteration, improvement and major maintenance".

10. In its previous report on the matter (A/59/572, para. 3), the Committee indicated, as informed at the time, that the addendum to the host country agreement was being finalized by the Government of Ethiopia and the Office of Legal Affairs. The Committee notes from paragraph 4 of the Secretary-General's report (A/60/532) that the addendum to the host country agreement has been finalized and a title deed reflecting the allocation of the additional land as a free leasehold has been submitted to the Office of Legal Affairs, though the signatures are still pending.

11. The Committee notes from paragraphs 10 and 22 that a shortlist of vendors is being drawn up and tender documents prepared. Moreover, according to the new project schedule, the bidding process and identification of a contractor could be finalized by March 2006, with construction starting in April 2006 for a completion date of February 2008. However, if construction of the two additional floors were to be approved, final completion would be envisaged for July 2008. **The Advisory Committee agrees that, should the General Assembly approve the proposal, it would be more cost-effective to schedule construction of the two additional floors at the same time as the construction in connection with the revised project.**

12. **The Committee recommends approval of the total estimated additional costs in the amount of \$3,671,500, as indicated in paragraph 8 above, if the General Assembly authorizes the expansion of the new office building by two additional floors to a total capacity of 9,550 square metres. In this circumstance, the Committee also recommends a phased approach in financing**

further requirements related to the access control systems required or to the information and technology network and telephone equipment costs, as indicated in paragraph 9 above. The additional appropriation of \$3,671,500 under section 32, Construction, alteration, improvement and major maintenance, of the proposed programme budget for the biennium 2006-2007 would be funded under the terms of resolution 42/211 governing the use and operation of the contingency fund.



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Agenda items 123 and 124

Programme budget for the biennium 2004-2005

Proposed programme budget for the biennium 2006-2007

Administrative and financial implications arising from the report of the Standing Committee of the United Nations Joint Staff Pension Board

Twenty-third report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the administrative and financial implications that would arise for the regular budget (A/C.5/60/18) should the General Assembly adopt the recommendations submitted to it in the report of the Standing Committee of the United Nations Joint Staff Pension Board (A/60/183).
2. As indicated in paragraph 4 of the report of the Secretary-General, the United Nations share in the administrative and audit costs related to the recommendations of the Standing Committee of the United Nations Joint Staff Pension Board was originally estimated at \$16,584,300 (at 2006-2007 rates).
3. However, the United Nations share has been subsequently revised to reflect the recommendations of the Advisory Committee (see A/60/7/Add.7). The revised share amounts to \$16,539,800 (at 2006-2007 rates).
4. The Advisory Committee observes that, in accordance with established procedures, the revised overall amount would be shared among the regular budget of the United Nations and the funds and programmes. The Secretary-General notes that, as reflected in paragraph 1.28 of the proposed programme budget for the biennium 2006-2007, the distribution would require that an estimated 65 per cent of the revised overall amount would be attributable to the regular budget, with the balance to be reimbursed by the funds and programmes. However, based on the latest data on the number of participants in the United Nations Joint Staff Pension Fund against which the percentage is derived, the above percentage would need to be revised to 62.2 per cent.



5. The Secretary-General indicates that, based on the application of the revised distribution rate of 62.2 per cent to the revised overall requirements of \$16,539,800, an amount of \$10,287,800 (at 2006-2007 rates) would represent the revised regular budget share as compared to \$9,208,800 (at 2006-2007 rates) already included under section 1 of the proposed programme budget. The Secretary-General therefore proposes that an additional appropriation in the amount of \$1,079,900, reflecting the difference between the previously budgeted amount of the regular budget share and the revised requirements, would need to be included under section 1 of the proposed programme budget for 2006-2007.

6. **The Advisory Committee recommends that the Fifth Committee report to the General Assembly that should it adopt the recommendations contained in the report of the Standing Committee of the United Nations Joint Staff Pension Board (A/60/183), an additional appropriation of \$1,079,900 would need to be included under section 1 of the proposed programme budget for the biennium 2006-2007. The provision would represent a charge against the contingency fund.**



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Programme budget for the biennium 2004-2005

Proposed programme budget for the biennium 2006-2007

**Administrative and financial implications arising
from the report of the Standing Committee of the
United Nations Joint Staff Pension Board**

**Twenty-third report of the Advisory Committee on
Administrative and Budgetary Questions**

Corrigendum

1. Paragraph 5, sixth line
For \$1,079,900 read \$1,079,000
2. Paragraph 6, fourth line
For \$1,079,900 read \$1,079,000

